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PART IV

Advertisements and Notices by Private Individuals and Private Bodies

INDUSTRIAL FINANCE CORPORATION OF INDIA

Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended 30th June 1959 under Section 35 of the Industrial Finance Corporation Act, 1948.

ANNUAL ACCOUNTS

The Board of Directors present herewith the Accounts for the year ended the 30th June 1959 together with their report on the working of the Corporation during the year.

Balance Sheet and Profit and Loss Account—As required under Rule 3 of the I.F.C. Rules, 1957, the Corporation had prepared during the previous two years its Balance Sheet and Profit and Loss Account as on the 30th June of each year in the forms prescribed by Government. As it was found by experience that these forms required certain minor amendments, the matter was taken up with Government who accorded their approval to the amendments suggested by us. The Balance Sheet and Profit and Loss Account as well as the Schedule showing particulars in respect of the loans and advances as on the 30th June 1959, annexed to the Report, have been accordingly drawn on the forms as amended.

The gross income of the Corporation rose from Rs. 154.91 lakhs of the previous year to Rs. 203.88 lakhs in the year under report. The net profit during the year amounted to Rs. 35,37,000 (as against Rs. 28,20,490 of the previous year), this has been arrived at after providing Rs. 37,70,776 for taxation, and payment of expenses of administration and interest on borrowings, and writing off in full the discount and brokerage amounting to Rs. 4,63,987 on the issue of bonds made during the year. Out of this net profit of Rs. 35,37,000, a sum of Rs. 10 lakhs will be paid over to the Central Government to reduce the Corporation's liability to Government on account of subvention drawn from them in previous years for the payment of the guaranteed dividend. (The corresponding sum paid last year was Rs. 5.45 lakhs). Out of the balance, a sum of Rs. 14,12,000 has been transferred to the General Reserve Fund, which will now stand at Rs. 31,12,000. This leaves a sum of Rs. 11,25,000 which will be utilised for distribution among shareholders of the guaranteed dividend at 2½ per cent on the paid-up share capital of Rs. 5,00,00,000.

Bonds—Last year, the Corporation had raised funds totalling Rs. 4,56,47,400 by the issue of bonds. With a view to meeting the commitments in respect of the loans already sanctioned up to the 30th June 1958 (amounting to Rs. 17.63 crores) and fresh loans to be sanctioned thereafter, we took advantage of the easy money market conditions prevailing in the latter part of 1958, and with the concurrence of the Central Government, made an issue of Bonds during the current year also. The issue was limited to Rs. 4 crores and the maturity was fixed at 10 years, as in the previous year, but the rate offered this time was ¼ per cent less, viz., 4½ per cent. The issue price, however, remained at 99 per cent. A significant departure from the two previous issues (which were private) was that subscriptions were thrown open to the public. The result was most satisfactory inasmuch as almost immediately after the opening of the list, subscriptions totalling more than twice the issue, viz., Rs. 8,38,64,700 were received, and the list had therefore, to be closed forthwith. The small investors were given priority by individual applications for Rs. 10,000 and below being allotted in full. The other subscribers were allotted to the extent of 51 per cent of the amount applied for, subject to a minimum of Rs. 10,000. On the aforesaid basis, the Corporation made allotments for a total sum of Rs. 4,38,30,800; out of this the State Bank of India and Life

Insurance Corporation of India together received an allotment of Rs. 89,25,000. The bulk of the allotment, viz., Rs. 3,49,05,800 was therefore, made to applicants from the private sector. The total amount of bonds outstanding at the end of the year aggregated Rs. 16,75,28,200 including the earlier 3½ per cent bonds 1964 for Rs. 7,80,50,000 and 4½ per cent bonds 1967 for Rs. 4,56,47,400 issued respectively in 1949 and 1957.

Borrowings from the Reserve Bank of India—Borrowings from the Reserve Bank were sparingly availed of during the year mainly due to the success of our public issue of bonds.

The rate of interest charged by the Reserve Bank of India on these borrowings remained unchanged at 4 per cent per annum throughout the year.

Borrowings from Central Government—The total amount of loans drawn from the Central Government up to the 30th June 1958 amounted to Rs. 15,00,00,000. A sum of Rs. 5,00,00,000 was repaid towards the above loans in November and December 1958, reducing the borrowings from Government to Rs. 10,00,00,000. A sum of Rs. 3,00,00,000 was, however, subsequently drawn from the Central Government, raising the outstanding loans Rs. 13,00,00,000 as at the end of the current year. These borrowings continue to carry interest at 4½ per cent per annum.

Reserve Fund—The General Reserve Fund stands at Rs. 31,12,000 as a result of the allocation of Rs. 14,12,000 made thereto from the profits of the current year.

Provision for bad and doubtful debts—After reviewing the position of the loan accounts as at the end of the year, the Directors have decided that the existing provision of Rs. 14,92,814 is adequate. No amount is, therefore, being transferred to this account from the profit of the current year. The Auditors have concurred in this.

Provision for Income-tax—All assessments of the Corporation upto the accounting year ended 30th June 1958 have been completed. Our profits for the year ended 30th June 1959 fall under the assessment year 1960/61. The Finance Minister's budget speech for the year 1959/60 envisages a change in the taxation structure from the assessment year 1960/61 in pursuance of which the rates for payment of advance tax under Section 18-A of the Income-tax Act have been revised, viz., 20 per cent for Income-tax and 25 per cent for Super-tax, i.e.; in all 45 per cent. We have accordingly made a provision for taxation in our accounts in respect of our income for the year under review on the said basis, i.e., at 45 per cent.

Schedule attached to the Balance Sheet—A schedule showing particulars in respect of the loans and advances as on the 30th June 1959, is attached to the Balance Sheet.

(i) *Debts partially secured*

It will be noticed from item (b) of the schedule that debts amounting to Rs. 20,72,976 were previously fully secured but are now shown as secured to the extent of Rs. 9,01,000 only. The aforesaid sum of Rs. 20,72,976 represents the debt due from one particular concern which ceased functioning some time ago. In working out the present value of the assets of this concern which stand mortgaged to the Corporation (and the sale of which is now in process of finalisation), depreciation at the full rate prescribed in the Income-tax Rules for the period following the cessation of the concern's business up-to-date has also been deducted from the original cost. In view of the fact that the machinery, etc., have been maintained in good running order since the cessation of working, and there has, therefore, been no wear and tear on them, the

present value of the assets should be actually more than what is worked out after allowing for depreciation at full rate. This has also been borne out by the offer made by the intending purchaser with whom negotiations are proceeding.

(ii) Interest of Directors in Loanee Concerns

A statement showing an analysis of the figures shown at item (f) of the schedule attached to the Balance Sheet is given in Appendix 'A'.

It will be observed from Section A of this statement that one of the Directors of the Corporation, who is a Director of 3 co-operative sugar factories, functions as such in his capacity as a nominee of the Bombay State Co-operative Bank; this alone accounts for loans to the extent of Rs. 1,52,50,000. A further sum of Rs. 4,31,28,186 is accounted for by loans outstanding against concerns in which some of our Directors are interested only as *shareholders* (*vide* Section B of the statement). There was no concern (*vide* Section C of the statement) in which a Director of the Corporation had interest as a Director or as a Member of its managing agency concern. The above-noted items aggregate Rs. 5,83,78,186 and amount to 76.3 per cent of the total. The balance 23.7 per cent is in respect of loans in which the Directors of the Corporation are interested as Directors. One of the Directors of the Corporation, who is a Central Government employee, functioned also as that Government's nominee on the Board of Directors of one of our loanee concerns in which the Central Government have a financial interest (*vide* Section D of the statement). The loan outstanding from this concern amounts to 6.2 per cent of the total. Excluding this, the balance comes to 17.5 per cent out of which the 9.7 per cent is in respect of loans sanctioned *prior* to the date on which the directors concerned came to be elected to the Board of the Corporation.

The provisions of the directive issued by Government in 1954 referred to in our Ninth Annual Report, under which a Director of the Corporation who is interested in any applicant or loanee concern either as an ordinary shareholder or as a Director or member of the managing agency concern is required to disclose whatever interest he may have in the applications for loans pending with the Corporation and to withdraw from the meetings when the application for loan from any concern in which he is interested is under discussion, continued to be strictly observed during this year also.

Underwriting the issue of Stocks, Shares, Bonds or Debentures by Industrial concerns—During the year under review, the Corporation jointly with two firms of stock and share brokers of Bombay, underwrote the issue of 7½ per cent tax-free Redeemable Cumulative Preference Shares for Rs. 50,00,000 by a new industrial concern set up for manufacturing ferro-manganese. The Corporation's share of the commitment under the underwriting arrangement was Rs. 37,50,000. The issue was heavily oversubscribed and the Corporation was, therefore, not called upon to take up any shares. An application from an existing concern engaged in the Paper industry for underwriting its issue of 7 per cent tax-free Redeemable Cumulative Preference Shares for Rs. 50 lakhs was also sanctioned by the Corporation, subject to the approval of the Central Government, under Rule 5 of the I.F.C. Rules, 1957, which has since been received. These bring the total amount of underwriting approved by the Corporation to Rs. 1,62,50,000.

Guaranteeing of deferred payments due from industrial concerns in respect of capital goods imported from outside India—During the year under review, the Corporation received 11 applications from a like number of industrial concerns for guaranteeing deferred payments to the aggregate extent of Rs. 16,50,80,500 in respect of machinery and equipment to be imported from abroad. (One of these applications was for enhancement of the amount of guarantee previously approved by Rs. 1.46 crores). Of the 11 applicants, seven had earlier been sanctioned loans by the Corporation and the remaining four were new applicants. Seven concerns applied for loans or additional loans to the aggregate extent of Rs. 5.40 crores in addition to guarantee to partly finance their schemes. 3 applications for guarantee amounting to Rs. 4,31,17,700 out of the eleven received during the year and two applications for amounts aggregating Rs. 83 lakhs received in the previous year were withdrawn by the applicants concerned as they were able to make alternative arrangements.

During the year, the Corporation, in terms of Section 23(1)(aa) of the I.F.C. Act, sanctioned two applications, both of which were from existing borrower concerns, for the guaranteeing of deferred payments to the extent of Rs. 35,00,000. The approval of the Central Government in one case was received during the year and the other case subsequently. (One of these concerns did not find it necessary to avail itself of the Corporation's guarantee as

it was able to make alternative arrangements therefor). The currency involved in one case is Pound Sterling and in the other Pound Sterling or Italian Lira.

The figures relating to applications for guarantee of deferred payments received and dealt with from the 21st December, 1957, the date from which the I.F.C. (Amendment) Act, 1957, *inter alia* enabling the Corporation to guarantee deferred payments came into force, upto the 30th June, 1959 are given below:—

	From 21st December, 1957 to 30th June, 1958.		During the year ended the 30th June, 1959.	
	No.	Amount Rs.	No.	Amount Rs.
1. Applications received	0	5,24,00,000	11	10,50,80,500
2. Applications sanctioned	3	3,96,00,000	2	35,00,000
3. Applications rejected	..	..	..	..
4. Applications withdrawn or lapsed	..	..	5	5,14,17,700
5. Applications pending	3	1,28,00,000	7	12,29,62,800

Out of the seven applications for guarantee for deferred payments pending as on the 30th June, 1959, four for amounts aggregating Rs. 10.11 crores, were not supported by the necessary import licences, though the applicants have stated that they hope to obtain the licences shortly. The remaining three are in the process of scrutiny.

Review of Operations—Comparative figures relating to loan applications dealt with during the last three years are given below:—

	During the year ended 30-6-1957		During the year ended 30-6-1958		During the year ended 30-6-1959	
	No.	Amount Rs. (Thousands)	No.	Amount Rs. (Thousands)	No.	Amount Rs. (Thousands)
1. Applications received	67	21,36,25	48	14,88,50	28	11,16,57
2. Applications sanctioned	51	11,90,75	22	7,78,50	19	3,79,00
3. Loans disbursed	..	9,77,50	..	8,33,35	..	7,47,71
4. Applications rejected	14	4,87,50	1	10,00	3	31,50
5. Applications treated as lapsed or withdrawn	..	..	..	..	..	..
6. Applications under consideration at the end of the year	26	11,37,00	41	14,98,40	23	11,70,97

The sanctioned amounts shown against item 2 above are in respect of applications for aggregate amounts of Rs. 12,35,75,000, Rs. 8,01,00,000 and Rs. 4,16,00,000 respectively for each of the three years mentioned.

Of the total amount of loans sanctioned during the year, viz., Rs. 3,79,00,000, sanction of the Central Government had to be obtained for three loans aggregating Rs. 93,00,000 in terms of one of the directives issued by them. Formal orders conveying Government's approval to two of the loans aggregating Rs. 43,00,000 were received before the 30th June, 1959, orders in respect of the third loan of Rs. 50,00,000 are still awaited.

The total number of loan applications received during the year under review, and the aggregate amount of loans applied for, were both less than those of previous two years. This was due, principally, to the impact of the restrictions imposed by the Central Government on the issue of import licences.

The 26 applications received during the year aggregated Rs. 11,16,57,000. Out of these, 9 applications for an aggregate sum of Rs. 3,75,00,000 were received from concerns engaged or to be engaged in the sugar industry, 4 applications for amounts aggregating Rs. 68,00,000 from the textile industry and 3 applications for amounts aggregating Rs. 3,19,57,000 from the paper industry. The remaining 10 applications received for an aggregate amount of Rs. 3,54,00,000 were from other major industries such as cement, transport equipment, chemicals, non-ferrous metals, etc. Out of 9 applications received from the sugar industry for loans for an aggregate sum of Rs. 3,75,00,000, 7 applications for an aggregate loan of Rs. 2,30,00,000 were from co-operative societies.

Nine loans aggregating Rs. 1,70,00,000 were sanctioned during the year to co-operative societies of which eight loans for Rs. 1,45,00,000 were to co-operative sugar factories and the remaining one for Rs. 25,00,000 to a co-operative spinning mill. The grand total of loans sanctioned to co-operative sugar factories up to the end of the year came to Rs. 14,68,50,000. This has helped considerably in implementing Government's declared policy of affording special encouragement to industrial co-operatives. The total number of sugar co-operative factories assisted by the

Corporation up-to-date comes to 27; these are distributed over Assam, Bombay, Madras, Mysore, Punjab and Uttar Pradesh. The loan of Rs. 35 lakhs granted to one of the sugar co-operative societies in the Bombay State has since been repaid in full.

During the year, the Corporation rejected 3 applications for loans aggregating Rs. 31,50,000 received from existing loanee concerns. The rejection was mainly on the ground that it was considered that the concerns should be able to raise the necessary finance from other sources.

As many as 22 applications for loans aggregating Rs. 9,79,50,000 were either withdrawn or treated as withdrawn during the year. Of these, 4 applications for amounts aggregating Rs. 1,70,00,000 were treated as withdrawn under intimation to the parties concerned as the applicants could not produce the necessary import licences for plant and machinery to prosecute their schemes. Similarly, 7 applications for loans aggregating Rs. 4,45,00,000 from a like number of sugar co-operative societies were treated as withdrawn as these societies were required to have the plant and machinery needed by them supplied by the consortiums being set up for the purpose, and were, therefore, advised to make fresh applications to the Corporation for their revised requirements of finance. Failure to obtain the necessary import licences was the main reason for a large number of applications having to be taken off our pending list.

Even out of the 23 applications for loans aggregating Rs. 11,70,97,000 pending as on the 30th June 1959, 8 applications for Rs. 6,29,57,000 were not supported by the necessary import licences. The remaining applications were in process of scrutiny at the end of the year. Of the pending applications mentioned above, five for amounts aggregating Rs. 2,05,00,000 were from co-operative sugar factories.

A list of the concerns to whom the Corporation had sanctioned loans since its inception up to 30th June, 1956 and thereafter up to the 30th June, 1958 will be found in the relative appendices of the Eighth and subsequent Annual Reports of the Corporation. The names of the concerns to whom the Corporation sanctioned loans during the year 1958-59 are given in Appendix 'B' to this report.

An industry-wise analysis of the loans sanctioned up to the 30th June, 1958 will be found in the relative Appendices to our Tenth Annual Report. Similar analysis as on the 30th June, 1959 are given in Appendices 'C'(i) and 'C'(ii), to this report.

It will be noticed that during the year Food manufacturing industries (Sugar) leads the list with Rs. 1,45,00,000 out of a total of Rs. 3,79,00,000 followed by Cement (Rs. 1,10,00,000) and Textiles (Rs. 65,00,000). In 1957-58 also, Sugar held the first position, but the second and third positions were held by Paper and Cement respectively.

Loans classified State-wise are given in Appendix 'D'.

Two analysis of the loans sanctioned, one according to the amount sanctioned on each application and the other according to amounts sanctioned to each industrial concern, are given in Appendices 'E(i)' and 'E(ii)'.

During the last eleven years, out of the 300 loan applications which were sanctioned, 185 were accounted for by new undertakings (i.e., factories that went into production after the 15th August 1947), and they were sanctioned amounts aggregating Rs. 44,22,50,000 in all. The balance 115 were accounted for by old established undertakings to whom a total amount of Rs. 22,46,50,000 was sanctioned for renovation, modernisation and expansion. Separate figures for each of the eleven years are given in Appendix 'F'.

A statement showing the total amount of loans sanctioned by the Corporation since its inception upto the end of each of the last eleven years and the total amounts actually disbursed by the Corporation at the end of each year is given below:—

	Total amount of loans sanctioned	Total amount of loans disbursed
	Rs.	Rs.
As at the end of 30th June, 1949	3,42,25,000	1,32,80,813
As at the end of 30th June, 1950	7,19,25,000	3,40,74,319
As at the end of 30th June, 1951	9,58,20,000	5,78,65,800
As at the end of 30th June, 1952	14,03,45,000	7,57,03,800
As at the end of 30th June, 1953	15,46,70,000	10,06,79,800
As at the end of 30th June, 1954	20,73,75,000	12,88,65,752
As at the end of 30th June, 1955	28,07,75,000	14,52,96,304
As at the end of 30th June, 1956	43,20,75,000	16,73,19,677
As at the end of 30th June, 1957	55,11,50,000	20,50,70,174
As at the end of 30th June, 1958	62,90,00,000	34,84,05,148
As at the end of 30th June, 1959	66,69,00,000	42,31,76,155

The actual commitments of the Corporation in respect of loans sanctioned upto the 30th June 1959 are as follows:—

	Rs.	Rs.
Total loans sanctioned	.. ..	66,69,00,000
Amount disbursed	.. ..	42,31,76,000
Loans declined or not to be made available	10,51,42,000	52,83,18,000
		13,85,82,000

The disbursements during the year amounted to Rs. 7.48 crores. Though this amount is less than the corresponding figures for the last two years, viz., Rs. 9.78 and Rs. 8.33 crores, it is well above the average amount disbursed during the years 1949 to 1956, viz., Rs. 2.09 crores.

During the year, the Corporation continued to be liberal in sanctioning interim loans. Such sanctions aggregated Rs. 4,24,65,000.

Progress of Repayments—The total amount of interest charged on the entire amount of loans advanced from inception up-to-date (exclusive of amounts which proved irrecoverable and were consequently written off) was Rs. 7,03,21,599.79 out of which a sum of Rs. 6,93,27,814.63 was actually received. The amount in default viz., Rs. 9,93,785.16 constitutes 1.4 per cent of the total amount due.

The total amount of principal due to the Corporation since inception (exclusive of amounts which proved irrecoverable and were consequently written off) was Rs. 5,22,76,817.13, out of which a sum of Rs. 4,84,35,488.91 was received. Extension of time was granted to four concerns to repay the instalments aggregating Rs. 10,00,000.00. After excluding the aforesaid amount, the amount in default, viz., Rs. 28,41,328.22 constituted 5.4 per cent of the amount due.

The bulk of the principal and interest in arrears mentioned above is accounted for by four concerns. Of these concerns, the factory premises of one concern have been leased by the Corporation on terms which ensure the repayment of the entire amount of the outstanding debt from the concern, including the instalments of principal and interest in default. The lease rental is being received regularly. Arrangements for the sale of the factory of another concern are under way. The remaining two concerns belong to the textile industry and the defaults committed by them are attributed to the general depression that the marginal units of this industry have been passing through in the recent past.

Extra payments on account of principal aggregating Rs. 3,84,05,999.74 have been received from loanee concerns up-to-date, which included payments received on closure of account from 18 concerns to whom loans aggregating Rs. 3,35,60,000 had been sanctioned.

Concerns whose management/possession has been taken over by the Corporation—Mention was made in our last Annual Report about two concerns the possession of whose assets was still with the Corporation and it was stated that arrangements for lease of the premises of one had reached an advanced stage, while similar action for lease or sale of the assets of the other concern was being pursued. The lease arrangements in respect of the former concern were finalised in the current year, and it is expected that the arrangements for the sale of the factory of the latter concern will be concluded shortly.

General review of development of industries particularly in the fields in which the Corporation has advanced loans—A general review of the development of industries financed by the Corporation upto the 30th June 1959 is given in Appendix 'G'.

Rate of Interest—The rate of interest charged by the Corporation on its loans remained unchanged during the year at 7 per cent per annum with the usual rebate of $\frac{1}{2}$ per cent for payment of interest and repayment of instalments of principal on the due dates.

Auditors—The Central Government appointed Messrs S. Vaidyanath Aiyar & Co., Delhi, as auditors of the Corporation for the year ended the 30th June 1959, and at the Annual General Meeting of the Shareholders of the Corporation held on the 27th September 1958, Messrs S. B. Billimoria & Co., Bombay, were re-elected as auditors on behalf of the shareholders, other than the Central Government and the Reserve Bank of India, for the year ended the 30th June 1959. Messrs S. B. Billimoria & Co., will retire but are eligible for re-election.

Audit by the Comptroller and Auditor-General of India—During the year, the Comptroller and Auditor-General of India carried out the audit of the accounts of the Corporation for the year ended the 30th June 1958 and for the period from the 1st July 1958 to the 31st March 1959.

State Financial Corporations—During the year, a State Financial Corporation was established in Mysore, raising the total number of State Financial Corporations in the country to twelve.

Under the State Financial Corporations Act, every State Financial Corporation has to have on its Board of Directors, a representative nominated by the Industrial Finance Corporation of India. As stated in our last Annual Report, we have hitherto been nominating one of our branch Managers to the Board of each of the State Financial Corporations. These have now been substituted by the Corporation's own Directors in the case of ten of these State Financial Corporations.

The fifth conference of the representatives of all the State Financial Corporations was held as usual under the aegis of the Reserve Bank of India in December last, when common problems were discussed. The Corporation was represented at this conference by its Branch Manager at Bombay. The following were some of the important matters discussed at the Conference:—

- (i) Feasibility of adoption of methods and practices followed by credit institutions in Japan.
- (ii) Progress made in the working of the Pilot Scheme for provision of credit to small-scale industries.
- (iii) Joint financing of tea gardens by the State Financial Corporations and the State Bank of India against composite security.
- (iv) Utilisation of the agency of State Financial Corporations for routing Government funds to small-scale industries.
- (v) Provision of credit to industrial co-operatives through State Financial Corporations.

A summary of the proceedings of the Conference as furnished by the Reserve Bank of India is given in Appendix 'I'.

Analysis of loan operations from 1-7-1948 to 30-6-1959

(i) Loans sanctioned and disbursed

	No.	Amount Rs.
Applications received	049	1,35,51,07,000
Applications sanctioned	300	66,69,00,000
Loans disbursed .. ..	..	42,81,76,000
Loans outstanding .. ..	..	33,36,73,000

The relative importance of the loans from the Corporation in the total finance required by the borrowing concerns for setting up new units and expansion, renovation, modernisation, etc. of existing ones may be gauged from the following figures as at the end of the year 1959:—

Nature of the Scheme	Total cost of the schemes financed by I.F.C.	Total financial assistance given by the I.F.C.	Percentage of (3) to (2)
(1)	(2)	(3)	(4)
	Rs.	Rs.	
Setting up of new units ..	78,49,15,000	32,86,70,000	42
Expansion of existing units	61,71,17,000	29,72,85,000	48
Modernisation, renovation, etc. of existing units ..	4,34,03,000	3,03,02,000	70
	1,44,54,35,000	65,62,57,000	45
Loans sanctioned for other purposes like meeting working capital, etc. ..		1,06,43,000	
		66,69,00,000	

(ii) Gross Income and Administrative Expenses

A table showing the trend of the gross income earned by the Corporation from year to year during the last eleven years and the trend of the percentage which the administrative expenses bore to the gross income is given below:—

Year ended 30th June	Gross income Rs. (in lakhs)	Percentage which the administrative expenses bore to gross income
1949	5.73	50.09
1950	23.47	20.37
1951	35.87	14.02
1952	42.05	13.56
1953	49.30	13.71
1954	54.74	13.46
1955	60.71	15.65
1956	67.63	11.74
1957	96.33	9.45
1958	154.01	6.32
1959	203.88	5.11

Income-tax paid—For the ten years upto the 30th June 1958, in respect of which assessments have been completed, the Corporation has paid by way of income-tax a sum of Rs. 88,05,770.

Subvention received—The Corporation received from Government, by way of subvention to pay guaranteed dividend for the years 1949, 1950, 1951, 1952, 1954, 1955 and 1956 a total sum of Rs. 53,45,490.16. No subventions were called for during the years 1953 and 1957. In the year 1958, not only was no subvention drawn from Government but a sum of Rs. 5.45 lakhs was paid over to Government as the first instalment of the repayment of the amounts drawn in previous years. In the current year, a further sum of Rs. 10 lakhs is being paid over to Government thereby reducing the outstanding amount of subventions repayable by us to Rs. 38 lakhs.

Meetings of the Board and of the Central Committee—Eight meetings of the Board were held during the year, five in New Delhi and one each in Bombay, Calcutta and Madras. The Central Committee of the Board held five meetings during the year, of which four were in New Delhi and one in Calcutta.

Advisory Committees—The Corporation has five Advisory Committees, one each for the Textile, Sugar, Engineering and Chemical industries and one for the rest, labelled "Miscellaneous industries". These Committees held 13 meetings in all during the year and considered 29 applications for loans, guaranteeing of deferred payments and underwriting of share-capital.

Distribution of shares—During the year under review, the transfer of two shares of the Corporation held by an insurance company to a co-operative bank was approved and the position regarding the distribution of shares at the end of the year stood as follows:—

Central Government	2,000
Reserve Bank of India	2,054
Scheduled Banks	2,405
Insurance Companies, etc.	2,596*
Co-operative Banks	945
	10,000

Instructions on questions of policy issued by the Central Government—No further instructions on questions of policy were received from the Central Government in terms of sub-section (3) of Section 6 of the Industrial Finance Corporation Act, 1948 during the year under report. The instructions given in the previous years (and published in the earlier reports) were followed during the year.

Rules framed by the Central Government—During the year under review, no further rules were framed by the Central Government under the powers vested in them by Section 42 of the I.F.C. Act.

Board of Directors—At the last Annual General Meeting held on the 27th September 1958, Shri C. C. Desai was elected to the Board to represent Insurance Companies, Investment Trusts and other like financial institutions if the vacancy caused by the resignation of Shri L. S. Vaidyanathan.

*Out of the 2,596 shares held by Insurance Companies, etc., 2,346 shares are held by the Life Insurance Corporation of India.

Shri S. Ratnam, a Director nominated by the Central Government under Section 10(1)(aa) of the I.F.C. Act, resigned from the 17th July 1958, and the Central Government nominated in his place Shri A. Baksi with effect from the 29th July 1958.

The Board desire to place on record their appreciation of the valuable services rendered by Shri S. Ratnam.

In terms of Section 11(2) of the I.F.C. Act, Shri M. Ct. Muthiah, representing Scheduled Banks and Shri V. P. Varde, representing Co-operative Banks will retire at the end of the year. In terms of Section 11(3) of the Act, Shri C. C. Desai, representing Insurance Companies, Investment Trusts, and other like financial institutions will also retire at the end of the year. All the above directors are eligible for re-election and are required to continue in office till

their successors are elected at the Annual General Meeting to be held on the 26th September 1959.

Acknowledgement of assistance received—The Board wish to place on record their appreciation of the co-operation and assistance received from the various Ministries of the Government of India, such as Commerce & Industry, Community Development & Co-operation, Finance, etc.

The Board are also thankful to the members who have served on the various Advisory Committees of the Corporation for their valuable assistance and advice.

By Order of the Board,
H. V. VENKATASUBBIAH
General Manager

APPENDIX 'A'

Debts due by concerns in which the Directors of the Corporation are interested as Directors and Shareholders, Directors or Members of the Managing Agency Concerns as on 30th June 1959

No. of Companies/ Societies	Date of sanction of loan	Amount due		Total	Remarks
		in respect of loans sanctioned prior to the dates on which the concerned directors became directors of the Corporation	in respect of loans sanctioned when the concerned directors were directors of the Corporation		
1	2	3	4	5	6
		Rs.	Rs.	Rs.	
	A. Debts due by Co-operative Societies in which the Director/s of the Corporation is/are interested as nominees of—				
	(a) State Governments	Nil	Nil		
	(b) Co-operative Banks—				
1	11-12-1954 .. .. .	..	43,00,000		
2	2-3-1956 .. .. .	..	55,00,000		
	*16-5-1957 .. .. .	..		
3	4-6-1956 .. .. .	..	54,50,000		
	*16-5-1957 .. .. .	..		
	(c) Registrar of Co-operative Societies ..	Nil	Nil		
	Total of 'A' ..	..	1,52,50,000	1,52,50,000	
	B. Debts due by concerns in which the Directors of the Corporation are interested as Shareholders only—				
1	20-1-1950	20,00,000	..		
	*15-4-1950 .. .. .	..	..
2	2-6-1949	57,200	..		
	*14-10-1950 .. .. .	..	..
3	11-4-1953 .. .. .	..	8,30,000		
4	26-12-1953 .. .. .	..	2,00,000		
5	28-6-1949	12,00,000	..		
	*30-7-1954 .. .. .	..	28,00,000		
6	16-8-1949	16,45,000	..		
7	16-8-1951	9,08,171	..		
8	21-11-1953 .. .. .	..	24,00,000		
	*27-3-1954 .. .. .	..	..
9	17-5-1952	82,40,065	..		
	*1-2-1956 .. .. .	..	..
	*3-5-1956 .. .. .	..	..
10	21-6-1952	4,80,000	..		
11	19-6-1954	1,00,00,000	..		
	*17-12-1955 .. .. .	..	..
12	7-3-1949	35,54,850	..		
	*31-7-1954 .. .. .	..	..
13	4-6-1956 .. .. .	..	15,00,000		
14	10-11-1955	50,00,000	..		
	*29-6-1957 .. .. .	..	..
15	16-2-1949	23,12,900	..		
	*23-4-1958 .. .. .	..	..
	Total of 'B' ..	3,53,98,186	77,30,000	4,31,28,186	

APPENDIX 'A'—contd.

1	2	3	4	5	6
	C. Debts due by concerns in which the Directors of the Corporation are interested as Directors or Members of the Managing Agency concern.				
	Nil	Nil	Nil	Nil	
	**D. Debts due by concerns in which the Directors of the Corporation are interested as Directors—				
1	†5-1-1952	20,00,000	..		†One of the Directors of the Corporation is a Director of the concern while two others are shareholders only.
2	17-9-1954 .. .. .	..	20,21,485		
3	26-11-1956 .. .. .	..	25,00,000		
4	14-10-1948 *10-5-1950	} 10,00,000	..		††A Director of the Corporation who is a Central Govt. employee and nominee functions as a nominee director of the Central Govt. on the Board of this concern in which that Govt. is financially interested.
5	20-11-1954 *26-11-1956		44,00,000 ..	8,00,000	
6	††23-4-1949 *30-8-1950 *2-4-1957	} 47,76,116	..		
	Total of 'D'	..	1,21,76,116	59,21,485	
	Total of A, B, C & D	..	4,75,74,302	2,89,01,485	
				1,80,97,601	
				7,64,75,787	

*Additional Loan.

**The loan to the Fertilizers & Chemicals, Travancore, Ltd., in which a director of the Corporation is a shareholder and to the Directorate of which the Corporation has nominated its Chairman as its nominee, has not been shown under Section D but has been shown under Section B (vide item No. 9).

APPENDIX 'B'

Statement of the Loans Sanctioned by the Industrial Finance Corporation of India from the 1st July 1958 to 30th June 1959

Sl. No.	Name of the Company or Society	Names of the Managing Agents/ Managing Director/ Chairman/President of the Board of Directors/Secretaries and Treasurers	Location of the Factory		Amount of the loan sanctioned		Purpose for which sanctioned
			Place	State	New Undertaking	Old Undertaking	
1	2	3	4	5	6	7	8
					Rs.	Rs.	
1	Madras Cements Ltd.	Messrs. P.A.C. Ramaswamy Raja and Company, Managing Agents.	Tulukkapatti, Distt. Ramnathapuram	Madras	40,00,000	..	For meeting the capital cost of stage I of the company's scheme envisaging the setting up of a cement plant with an installed capacity of 200 tons of cement per day.
2	Kalinga Tubes Ltd.	Shri B. Patnaik, Managing Director.	Chowdwar, Distt. Cuttack.	Orissa	33,00,000 (Addl.)	..	For redemption of the company's outstanding debentures held by the Life Insurance Corporation of India to enable the company to give first charge on their fixed assets for the total loan of Rs. 97 lacs sanctioned to them by the Corporation.
3	Southern Structurals Ltd.	Shri N. Ranganathan, Managing Director.	Thandarai, Taluk Sriperumbudur, Distt. Chingleput.	Madras	20,00,000	..	For financing a part of the cost of the company's scheme of manufacturing 1000 railway goods wagons per annum and steel structurals to the extent of 2400 tons per annum.
4	Saurashtra Co-op. Spinning Mills Ltd.	Shri P.K. Shunglu, Chairman.	Near Limbdi-Surendranagar Road, Limbdi, Distt. Zala-wad (Saurashtra)	Bombay	25,00,000	..	For meeting further capital expenditure to the extent of Rs. 10 lacs in connection with the society's scheme of setting up a spinning mill at Limbdi with 12,000 spindles and the balance of Rs. 15 lacs for being utilised for repayment of their existing borrowings raised from the Saurashtra State Co-op. Bank Ltd., for meeting capital expenditure under the scheme.

APPENDIX 'B'—contd.

1	2	3	4	5	6	7	8
					Rs.	Rs.	
5	Kalyanpur Lime and Cement Works Ltd.	Shri C. P. Sinha, Chairman.	Banjari, Distt. Shahbad.	Bihar	..	20,00,000 (Addl.)	For meeting the capital cost of the company's scheme of providing additional facilities for storage of lime-stone, clinker, gypsum, coal, cement, etc. and mechanising certain operations in the handling of raw materials at the factory and the quarries so as to raise then present production from 1,10,000 tons to the full installed capacity of 1,50,000 tons per annum.
6	Mysore Electrical Industries Ltd.	Shri R.D. Char, Chairman, Shri N.G. Ayyangar, Managing Director.	Okalypuram, New Mysore Road, Bangalore.	Mysore	6,00,000 (Addl.)	..	To implement their scheme of increasing the turnover of their existing products and also to take up the manufacture of certain new items, viz. (a) High Rupturing Capacity Fuses (60,000 nos. p.a.) (b) Air Circuit Breakers (500 nos. p.a.) and (c) Minimum oil content H.T. switchgears (100 nos. p.a.).
7	Bagpat Co-operative Sugar Mills Ltd.	Shri P. N. Kapur, I.A.S., Managing Director.	Bagpat, Distt. Meerut.	U.P.	60,00,000	..	For setting up a sugar factory with a crushing capacity of 1000/1200 tons of sugarcane per day.
8	Loyal Textile Mills Ltd.	Messrs. Thiagaraja Chetty & Sons Private Ltd., Managing Agents.	Kovilpatti, Distt. Tirunelveli.	Madras	..	10,00,000 (Addl.)	To meet the increase in the cost of setting up another spinning unit of 12,000 spindles.
9	Pulgaon Cotton Mills Ltd.	Messrs. Hardayal Sons, Managing Agents.	Pulgaon	Bombay	..	5,00,000 (Addl.)	For implementing their scheme aimed at doubling the present production of their processing department from 40% of the total output of cloth to 80% and balancing their preparatory department by the addition of 16 carding engines.
10	Shree Bhawani Cotton Mills Ltd.	Shri Suraj Mull Mohta, Managing Director.	Abohar, Distt. Ferozepur.	Punjab	5,00,000 (Addl.)	..	For implementing a scheme of expansion envisaging an increase in the spindleage by 1,680 spindles, installation of a doubling plant to enable the company to manufacture multiple ply yarn, acquisition of a cone winding machine for the hosiery section and miscellaneous additions to mill equipment.
11	Shree Ranga Vilas Ginning, Spinning and Weaving Mills Ltd.	Messrs. P. S. Govindaswamy Naidu & Sons, Managing Agents.	Peelamedu, Coimbatore.	Madras	..	20,00,000	For renovation and modernisation of the company's mills aimed mainly at replacement of 8,904 old spindles and the relative preparatories by an equal number of new spindles and preparatories such as carding engines, drawing and interframes card grinding accessories, one line of blowroom with accessories, etc.
12	Shree Panchaganga Sahakari Sakhar Karkhana Ltd.	Shri R. B. Kumbhar, Chairman.	Ichalkaranji, Distt. Kolhapur.	Bombay	10,00,000 (Addl.)	..	For meeting a part of the increase in the cost of the Society's scheme of setting up a sugar factory with a crushing capacity of 1000/1250 tons of sugarcane per day.
13	Shotkari Sahakari Sakhar Karkhana Ltd.	Shri V. B. Patil, Chairman.	Sangli, Distt. South Satara.	Bombay	10,00,000 (Addl.)	..	For meeting a part of the increase in the cost of the Society's scheme of setting up a sugar factory with a crushing capacity of 1000/1250 tons of sugarcane per day.
14	Shree Warana Sahakari Sakhar Karkhana Ltd.	Shri V. A. Kore, Chairman.	Kodoli, M. Panhalap, Distt. Kolhapur.	Bombay	10,00,000 (Addl.)	..	For meeting a part of the increase in the cost of the society's scheme of setting up a sugar factory with a crushing capacity of 1000/1250 tons of sugarcane per day.
15	Girna Sahakari Sakhar Karkhana Ltd.	Shri V. P. Varde, Chairman.	Village Dabhodi, Malegaon, Distt. Nasik.	Bombay	10,00,000 (Addl.)	..	For meeting a part of the increase in the cost of the society's scheme of setting up a sugar factory with a crushing capacity of 1000/1250 tons of sugarcane per day.

APPENDIX 'B'—concl'd.

1	2	3	4	5	6	7	8
16	Bhogawati Sahakari Sakhar Karkhana Ltd.	Shri V. P. Vardo, Chairman.	Ghotavade, Distt. Kolhapur.	Bombay	10,00,000 (Addl.)	..	For meeting a part of the increase in the cost of the society's scheme of setting up a sugar factory with a crushing capacity of 1000/1200 tons of sugarcane per day.
17	Assam Co-operative Sugar Mills Ltd.	Shri Robin Kakoti, Chairman.	Mohban-dha Road, Missamora Village, Distt. Sibsagar.	Assam	15,00,000 (Addl.)	..	For meeting a part of the increase in the capital cost of the society's scheme of setting up a sugar factory with a crushing capacity of 800 tons of sugarcane per day.
18	Bellary Central Co-operative Stores Ltd.	Shri H. Linga Reddy, Advocate, Chairman.	Kampli, Distt. Bellary.	Mysore	20,00,000 (Addl.)	..	For meeting a part of the increase in the capital cost of the society's scheme of setting up a sugar factory with a crushing capacity of 600/800 tons of sugarcane per day.
*19	Orissa Cement Ltd.	Messrs. Dalmia Agencies (Private) Ltd., Managing Agents.	Rajgangpur, Distt. Sundergarh.	Orissa	50,00,000 (Addl.)	..	To meet the increase in the capital cost of the company's schemes aimed at increasing the installed capacity of their cement project from 500 tons to 1100 tons per day and setting up a refractory plant with an installed capacity of 88,000 tons p.a. at Rajgangpur.
					3,24,00,000	55,00,000	
					Total	3,79,00,000	

NOTE—Factories which went into production after the 15th August, 1947 have been classified as 'New Undertakings'.
*Provisional, subject to Central Government's approval which is awaited.

APPENDIX 'C(i)'

Classification of loans and advances sanctioned "Industry-wise" upto 30th June 1959 as given in the first eight Annual Reports

Type of Industry	Amount sanctioned upto the year ended 30-6-1958	Amount sanctioned during the year ended 30-6-1959	Total
	Rs.	Rs.	Rs.
Textile Machinery ..	83,00,000	..	83,00,000
Mechanical Engineering ..	2,08,00,000	20,00,000	2,28,00,000
Electrical Engineering ..	1,75,70,000	6,00,000	1,81,70,000
Cotton Textiles ..	8,72,75,000	65,00,000	9,37,75,000
Woolen Textiles ..	35,00,000	..	35,00,000
Rayon Industry ..	1,10,00,000	..	1,10,00,000
Chemicals ..	8,53,25,000	..	8,53,25,000
Cement ..	5,07,00,000	1,10,00,000	6,17,00,000
Ceramics & Glass ..	1,91,75,000	..	1,91,75,000
Oil Mills ..	11,00,000	..	11,00,000
Electric Power ..	82,75,000	..	82,75,000
Metallurgical Industry (Non-ferrous Metals) ..	45,50,000	..	45,50,000
Iron & Steel (Light Engineering) ..	2,27,50,000	33,00,000	2,60,50,000
Aluminium ..	50,00,000	..	50,00,000
Sugar Industry ..	19,17,00,000	1,45,00,000	20,62,00,000
Mining ..	37,00,000	..	37,00,000
Paper Industry ..	5,71,50,000	..	5,71,50,000
Automobile & Tractor Industry ..	1,64,50,000	..	1,64,50,000
Plywood ..	30,00,000	..	30,00,000
Unclassified ..	1,16,80,000	..	1,16,80,000
	62,90,00,000	3,79,00,000	66,69,00,000

APPENDIX 'C(ii)'

Analysis of the loans sanctioned to the various types of industries as per the International Standard Industrial Classification of all Economic Activities

Type of Industry	Amount sanctioned upto the year ended 30-6-1958	Amount sanctioned during the year ended 30-6-1959	Total
	Rs.	Rs.	Rs.
Food Manufacturing Industries, except Beverage Industries ..	19,27,00,000	1,45,00,000	20,72,00,000
Manufacture of Textiles—Spinning, Weaving & Finishing of Textiles ..	9,07,75,000	65,00,000	9,72,75,000
Manufacture of Artificial Fibres ..	1,10,00,000	..	1,10,00,000

APPENDIX 'C(ii)'—cont'd.

Type of Industry	Amount sanctioned upto the year ended 30-6-1958	Amount sanctioned during the year ended 30-6-1959	Total
	Rs.	Rs.	Rs.
Manufacture of Wood & Cork except Manufacture of Furniture ..	30,00,000	..	30,00,000
Manufacture of Paper and Paper Products ..	5,71,50,000	..	5,71,50,000
Manufacture of Rubber Products ..	50,50,000	..	50,50,000
Manufacture of Basic Industrial Chemicals including Fertilisers ..	7,68,00,000	..	7,68,00,000
Manufacture of Vegetable and Animal Oil & Fats ..	11,00,000	..	11,00,000
Manufacture of Miscellaneous Chemical Products ..	77,25,000	..	77,25,000
Manufacture of Glass and Glass Products ..	1,27,50,000	..	1,27,50,000
Manufacture of Pottery, China & Earthenware ..	64,25,000	..	64,25,000
Manufacture of Cement ..	5,07,00,000	1,10,00,000	6,17,00,000
Basic Metal Industries—Iron & Steel ..	23,00,000	..	23,00,000
Non-ferrous Metals Industry ..	1,17,00,000	..	1,17,00,000
Manufacture of Metal Products except Machinery and Transport Equipment ..	2,57,50,000	33,00,000	2,90,50,000
Manufacture of Machinery except Electrical Machinery ..	1,42,50,000	..	1,42,50,000
Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies ..	1,75,70,000	6,00,000	1,81,70,000
Manufacture of Rail-Road Equipment ..	50,00,000	20,00,000	70,00,000
Manufacture of Motor Vehicles and Ancillaries ..	1,68,00,000	..	1,68,00,000
Manufacture of Bicycles ..	80,50,000	..	80,50,000
Miscellaneous Manufacturing Industries ..	43,30,000	..	43,30,000
Electric Light and Power ..	82,75,000	..	82,75,000
Total ..	62,90,00,000	3,79,00,000	66,69,00,000

APPENDIX 'D'

Statement showing Industry-wise distribution of loans sanctioned by the Industrial Finance Corporation of India upto 30th June 1959, in each State

(000's omitted)

Type of Industry	Andhra Pradesh	Assam	Bihar	Bombay	Kerala	Madhya Pradesh	Madras
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Food Manufacturing Industries, except Beverage Industries.	1,90,00	60,00	17,50	9,67,50	..	..	2,97,00
Manufacture of Textiles—Spinning, Weaving & Finishing of Textiles.	83,50	..	..	2,42,75	..	..	2,14,00
Manufacture of Artificial Fibres ..	..	..	..	1,10,00	..	..	..
Manufacture of Wood & Cork except Manufacture of Furniture.	..	..	..	..	30,00	..	..
Manufacture of Paper & Paper Products.	..	..	1,00,00	24,00	25,00	..	..
Manufacture of Rubber Products..	..	..	..	15,50	..	..	..
Manufacture of Basic Industrial Chemicals including Fertilisers.	..	..	1,50,00	1,00,00	3,06,00	..	1,50,00
Manufacture of Vegetable and Animal Oil & Fats	..	..	..	..	..	..	..
Manufacture of Miscellaneous Chemical Products.	..	..	..	5,00	51,00	..	..
Manufacture of Glass & Glass Products.	..	..	70,00	20,00	5,00	..	..
Manufacture of Pottery, China & Earthenware.	..	..	15,25	6 00	..	..	..
Manufacture of Cement ..	37,00	..	1,15,00	50,00	..	..	2,40,00
Basic Metal Industries—Iron & Steel.	..	..	..	..	..	..	..
Non-Ferrous Metals Industry ..	..	..	..	30,00	..	..	..
Manufacture of Metal Products except Machinery & Transport Equipment.	..	..	12,50	41,00	..	..	10,00
Manufacture of Machinery except Electrical Machinery.	..	..	..	55,50	..	..	..
Manufacture of Electrical Machinery, Apparatus, Appliances, and Supplies.	..	..	12,00	82,70	10,50	..	..
Manufacture of Rail-road Equipment.	..	..	..	..	..	..	20,00
Manufacture of Motor Vehicles & Ancillaries.	..	..	..	1,53,50	..	..	11,00
Manufacture of Bicycles	..	..	..	..	..	..	..
Miscellaneous Manufacturing Industries.	..	..	..	6,20	..	3,50	5,00
Electric Light & Power ..	..	..	5,50	40,00	..	..	..
	3,10,50	60,00	4,97,75	19,49,65	4,27,50	3,50	9,47,00
No. of Units State-wise ..	(10)	(1)	(12)	(59)	(6)	(1)	(22)

APPENDIX 'D'—contd.

Statement showing Industry-wise distribution of loans sanctioned by the Industrial Finance Corporation of India upto 30th June 1959, in each State—contd.

(000's omitted)

Type of Industry	Mysore	Orissa	Punjab	Rajas- than	Uttar Pradesh	West Bengal	Delhi	Total	No. of Units
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Food Manufacturing Industries except Beverage Industries.	1,39,00	..	1,91,00	..	2,10,00	..	..	20,72,00	46
Manufacture of Textile—Spinning, Weaving & Finishing of Textiles.	65,00	73,00	73,00	30,00	1,20,50	51,00	20,00	9,72,75	43
Manufacture of Artificial Fibres ..	..	..	..	..	..	..	..	1,10,00	1
Manufacture of Wood & Cork except Manufacture of Furniture.	..	..	..	..	..	..	..	30,00	1
Manufacture of Paper & Paper Products.	2,07,50	..	..	..	2,15,00	..	..	5,71,50	9
Manufacture of Rubber Products..	..	..	..	..	..	35,00	..	50,50	3
Manufacture of Basic Industrial Chemicals including Fertilisers.	15,00	..	..	..	..	45,00	..	7,66,00	8
Manufacture of Vegetable and Animal Oil & Fats.	8,50	..	..	..	2,50	..	..	11,00	2
Manufacture of Miscellaneous Che- mical Products.	..	..	..	..	4,50	16,75	..	77,25	6
Manufacture of Glass & Glass Products.	4,00	..	..	..	..	28,50	..	1,27,50	6
Manufacture of Pottery, China & Earthenware.	3,00	..	..	..	..	40,00	..	64,25	4
Manufacture of Cement ..	..	1,75,00	..	..	..	..	..	6,17,00	6
Basic Metal Industries—Iron & Steel.	..	23,00	..	..	..	..	..	23,00	*
Non-Ferrous Metals Industry ..	..	..	..	37,00	..	50,00	..	1,17,00	3
Manufacture of Metal Products except Machinery & Transport Equipment.	..	97,00	..	..	..	1,30,00	..	2,90,50	14
Manufacture of Machinery except Electrical Machinery.	28,00	..	..	..	..	59,00	..	1,42,50	5
Manufacture of Electrical Machi- nery, Apparatus, Appliances and Supplies.	22,00	..	..	7,50	..	47,00	..	1,81,70	13
Manufacture of Rail-road Equipment.	..	..	..	..	..	50,00	..	70,00	2
Manufacture of Motor Vehicles & Ancillaries.	3,50	..	..	..	..	..	..	1,68,00	4
Manufacture of Bicycles ..	..	..	27,50	..	..	53,00	..	80,50	2
Miscellaneous Manufacturing Indus- tries.	10,50	..	10,00	..	8,10	..	..	43,30	7
Electric Light & Power ..	..	9,00	..	..	..	28,25	..	82,75	5
	5,06,00	3,77,00	3,01,50	74,50	5,60,60	6,33,50	20,00	66,69,00	190
No. of Units State-wise ..	(17)	(5)	(11)	(3)	(15)	(27)	(1)		(190)

*No. of the unit taken into account under "Food Manufacturing Industries except Beverage Industries" in Andhra State.

APPENDIX 'E(i)'

Statement showing classification of loans sanctioned by the Industrial Finance Corporation of India as on 30th June 1959

(According to amount sanctioned on each application)

		No. of Applications	Amount
			Rs.
(i)	Loans not exceeding Rs. 10 lacs ..	125	7,91,00,000
(ii)	Loans exceeding Rs. 10 lacs but not exceeding Rs. 20 lacs ..	73	11,45,00,000
(iii)	Loans exceeding Rs. 20 lacs but not exceeding Rs. 30 lacs ..	28	7,53,00,000
(iv)	Loans exceeding Rs. 30 lacs but not exceeding Rs. 40 lacs ..	25	9,49,00,000
(v)	Loans exceeding Rs. 40 lacs but not exceeding Rs. 50 lacs ..	31	14,86,00,000
(vi)	Loans exceeding Rs. 50 lacs but not exceeding Rs. 60 lacs ..	8	4,64,00,000
(vii)	Loans exceeding Rs. 60 lacs but not exceeding Rs. 70 lacs ..	1	64,00,000
(viii)	Loans exceeding Rs. 70 lacs but not exceeding Rs. 80 lacs ..	..	..
(ix)	Loans exceeding Rs. 80 lacs but not exceeding Rs. 90 lacs ..	1	90,00,000
(x)	Loans exceeding Rs. 90 lacs but not exceeding Rs. 1 crore ..	5	5,00,00,000
(xi)	Loans exceeding Rs. 1 crore ..	3	4,27,00,000
		300	66,69,00,000

APPENDIX 'E(ii)'

Statement showing classification of loans sanctioned by the Industrial Finance Corporation of India as on 30th June 1959

(According to amounts sanctioned to each industrial concern)

		No. of Concerns	Amount
			Rs.
(i)	Loans not exceeding Rs. 10 lacs ..	49	3,02,05,000
(ii)	Loans exceeding Rs. 10 lacs but not exceeding Rs. 20 lacs ..	41	6,43,20,000
(iii)	Loans exceeding Rs. 20 lacs but not exceeding Rs. 30 lacs ..	26	7,09,25,000
(iv)	Loans exceeding Rs. 30 lacs but not exceeding Rs. 40 lacs ..	15	5,67,00,000
(v)	Loans exceeding Rs. 40 lacs but not exceeding Rs. 50 lacs ..	13	6,25,50,000
(vi)	Loans exceeding Rs. 50 lacs but not exceeding Rs. 60 lacs ..	22	12,23,00,000
(vii)	Loans exceeding Rs. 60 lacs but not exceeding Rs. 70 lacs ..	9	5,84,00,000
(viii)	Loans exceeding Rs. 70 lacs but not exceeding Rs. 80 lacs ..	1	74,00,000
(ix)	Loans exceeding Rs. 80 lacs but not exceeding Rs. 90 lacs ..	1	87,00,000
(x)	Loans exceeding Rs. 90 lacs but not exceeding Rs. 1 crore ..	5	4,92,00,000
(xi)	Loans exceeding Rs. 1 crore ..	*8	13,71,00,000
		190	66,69,00,000

*It was only in respect of 3 out of these 8 concerns that any single application was submitted for an amount exceeding Rs. 1 crore in each case. In respect of the other five, every one of the applications submitted was for not more than Rs. 1 crore, though the total of all the applications sanctioned in respect of each of these five concerns came to more than Rs. 1 crore in all.

APPENDIX 'F'

Classification of Loans and Advances sanctioned by the Industrial Finance Corporation of India since inception upto 30th June 1959 according to new and old undertakings

	New undertakings*		Old undertakings		Total	
During the year ended	No. of applications	Amount	No. of applications	Amount	No. of applications	Amount
		Rs.		Rs.		Rs.
30-6-49	14	2,15,75,000	7	1,26,50,000	21	3,42,25,000
30-6-50	8	1,64,50,000	15	2,12,50,000	23	3,77,00,000
30-6-51	11	1,65,45,000	6	73,50,000	17	2,38,95,000
30-6-52	17	1,93,50,000	16	2,51,75,000	33	4,45,25,000
30-6-53	6	41,50,000	8	1,01,75,000	14	1,43,25,000
30-6-54	12	1,93,30,000	17	3,37,75,000	29	5,27,05,000
30-6-55	18	5,52,50,000	9	1,81,50,000	27	7,34,00,000
30-6-56	29	10,48,00,000	15	4,65,00,000	44	15,13,00,000
30-6-57	36	8,09,50,000	15	3,81,25,000	51	11,90,75,000
30-6-58	19	7,18,50,000	3	60,00,000	22	7,78,50,000
30-6-59	15	3,24,00,000	4	55,00,000	19	3,79,00,000
Total	185†	44,22,50,000	115‡	22,46,50,000	300	66,69,00,000

*Factories which went into production after the 15th August, 1947 have been classified as New Undertakings.

†These applications relate to loans sanctioned to 107 concerns.

‡These applications relate to loans sanctioned to 83 concerns.

Total number of concerns to whom loans were sanctioned during the last 11 years: 190.

APPENDIX 'G'

General review of development of Industries particularly in the fields in which the Corporation has advanced loans

During 1958, the cuts in foreign exchange allocations which had to be imposed made it increasingly difficult to provide adequately for the import of raw materials and capital goods to sustain the rising tempo of industrial production and development. Nevertheless the year witnessed a further rise in output, an increase in industrial capacity, the setting up of new lines of production in many industries and the commencement of important new projects both in the public sector and in the private sector. Satisfactory as the broad picture is, it is necessary to draw attention to the decline in production in certain industries. The most important of these is the cotton textile industry; the main reason for the decline in production in this industry is a fall in consumer off-take resulting in the accumulation of stocks with mills. A fall in production was also recorded by the Automobile Industry, partly because of labour disputes and partly because of the cut in the foreign exchange for the import of raw materials and components. Likewise the shortage of foreign exchange reduced the availability both of steel as well as non-ferrous metals making it difficult for engineering industries to increase their output. However, in spite of the difficulties of foreign exchange the index of industrial production, if cotton textiles and sugar are excluded, shows an increase from 153.6 in 1957 to 160.8 in 1958. If cotton textiles and sugar are included, the general index for the same periods shows an increase from 137.3 to 138.3. It is also worth noting that this index which is constructed with 1951 as the base year does not take into account industries whose production has been established after 1951, e.g., penicillin, tyres and tubes (tractor, off-the-road tyres), Industrial V. Belts, Naphtols, Vat Dyes, Solubilised Vats, Typewriters, Fluorescent Tubes, Polythene films, Capstan lathes, Milling machines and Road Rollers, and does not, therefore, reflect the increase in the production of the newer industries.

The increase in production was partly due to better utilisation of existing capacity and partly to the increase in capacity resulting from programmes of expansion undertaken earlier. Many industrial goods began to be produced in the country for the first time in 1958, chief among which are compounded electroplating salts, activated carbon, sodium perborate and heat treatment salts, heavy industrial sewing machines, mercury vapour lamps, PVR insulated aluminium cables and mica insulating bricks for steel projects.

Output in the public sector undertakings also was satisfactory and in many instances an appreciable increase in production was recorded. The most significant increases in public sector factories compared with the previous year, were in machine tools, Penicillin, and insecticides.

Food Manufacturing Industries, except Beverage Industries

The installed capacity of sugar industry which stood at 15 lakh tons at the beginning of the First Five Year Plan is targeted to be increased to 25 lakh tons by the end of the Second Five Year Plan. The existing capacity at present is 20 lakh tons.

The production of sugar directly from sugarcane during the 1957-58 season amounted to 19.79 lakh tons showing a decline of 50,000 tons or 2.5 per cent over the 1956-57 output of 20.29 lakh tons. The lower production in 1957-58 was due mainly to a set-back to the sugarcane crop and the resulting shorter duration of the crushing season. Another cause for the decline, though relatively less important, was the diversion of cane from vacuum pan factories to *khandsari* manufacture. The slight decline in production in 1957-58 was off-set by lower exports, so that availability for internal consumption was not affected. The off-take of sugar factories for internal consumption in 1957-58 was 20.42 lakh tons, as against 19.83 lakh tons in 1956-57 and 19.40 lakh tons in 1955-56.

Actual production for the 1958-59 season upto 30-6-1959 amounted to 19.04 lakh tons as against an estimated production of 19.21 lakh tons for the entire season. The off-take from factories on account of indigenous consumption amounted to 13.7 lakh tons upto 30-6-1959.

During the year under review, the idea of setting up consortiums for taking up the fabrication and supply of complete sugar plants to the co-operative units was pursued. The formation of the first consortium is being finalised and it is expected that satisfactory arrangements would be made to supply the required number of Sugar Plants to co-operative sugar factories with a minimum expenditure of foreign exchange towards raw materials and components as well as capital equipment.

I.F.C. Loans

The loans sanctioned by the Corporation to this industry aggregate Rs. 20.72 crores (sugar alone accounting for Rs. 20.62 crores) distributed over 46 units, out of which 27 units, established on co-operative lines, accounted for Rs. 14.69 crores.

28 out of the 33 units, all of the sugar industry, whose loans are outstanding, have already gone into production and their output during the year was 2,95,778 tons. The other five are still to go into production.

Spinning, Weaving and Finishing of Textiles

Cotton Textile Industry

Cloth production since the beginning of the year 1958 has shown a decreasing tendency. The production in 1958 was 4,927 million yards as against 5,317 million yards in 1957, thus registering a decrease of about 390 million yards. However, the pattern of production has changed from predominantly coarse of last year to the normal pattern of production prior to 1957.

Production of yarn during 1958 was 1,685 million lbs. as against 1,780 million lbs. during 1957, recording a decrease of about 95 million lbs.

The off-take of cloth during 1958, however, was erratic due to speculation about changes in Excise Duty rates, imposition of additional Excise Duty in lieu of State Sales Tax, etc. Prices showed a general downward tendency owing to absence of active support from the cloth market. Mills were anxious to liquidate their stocks as their funds were locked up. The reduction of excise duty on medium cloth, made in December 1957 (14th December 1957) had little effect on the off-take of cloth. There was a further downward revision of duty on all categories of cloth with effect from the 19th March 1958. Excise duties were once again revised on the 4th July 1958 to help quicker and smooth movement of cloth from the producing centres to consuming centres. This has started showing a slightly easy tendency in wholesale and retail markets.

In the beginning of the year 1958, demand for yarn was not brisk, leading to increased stocks with the mills. This resulted in a slight decrease in yarn prices. However, in the middle of the year, the prices of super-fine counts of yarn started showing an increasing trend. Since August 1958, prices have started declining and are adjusting to fairly reasonable levels.

An important event in the year was the setting up of the Textile Enquiry Committee under the Chairmanship of the Textile Commissioner to look into the difficulties which confronted the textile industry and to diagnose the causes leading to these difficulties and to suggest remedial measures. The main difficulties were accumulation of unsold stocks, lack of working capital, fall in exports and closures of mills due to economic and other reasons. The

Enquiry Committee submitted its report in July 1958. The Government considered the report of the Committee and announced their decision on the various recommendations on the 31st October 1958. The principal decisions of the Government related to the per capita consumption of cloth at the end of the Second Five Year Plan, rationalisation and modernisation in the Cotton Textile Industry, closure of mills and the setting up of an Advisory Committee for the Textile Commissioner.

Art Silk Industry

The indigenous production of art silk yarn has been encouraging. During the year 1958, the total production of Viscose and Acetate Yarn was 38.34 million lbs. as against the 25.18 million lbs. for 1957. The production of art silk fabrics during the period January—November 1958 was 290.5 million yards as against 279 million yards during the whole of 1957.

I.F.C. Loans

The Corporation's loans to this industry aggregate Rs. 9.38 crores spread over 40 units. This is exclusive of an additional loan of Rs. 50 lakhs sanctioned to a concern originally engaged in the production of textile machinery parts, but whose main activity now is the spinning of yarn.

Out of the total of 41 units, 25 availed themselves of the loans to the extent of Rs. 5.82 crores. One of them has repaid the loan. The following are the production figures of 22 units out of 24 units whose loans were outstanding as on 30-6-1959:—

Products	Production in 1958-59
Cotton Yarn of various counts	4,80,16,668 lbs.
Cotton cloth	12,03,68,882 yds.
Staple yarn of various counts	37,58,595 lbs.
Silk cloth	58,66,808 yds.

Wool Industry

The Plan Target for the woollen/worsted spinning and weaving sector has been reached. The installed capacity increased by 2,002 woollen and 1,662 worsted spindles during the year. In addition, licences have been granted for the installation of 6,480 shoddy spindles. The production of woollen/worsted fabrics during 1958-59 was 18 million yards as against 16.79 million yards during 1957-58. The manufacture of woollen/worsted yarn during 1958-59 was 22.00 million lbs. as against 29.12 million lbs. during 1957-58.

I.F.C. Loans

3 units of this industry were sanctioned loans by the Corporation aggregating Rs. 35 lakhs and two of them have availed themselves of the loans to the extent of Rs. 32 lakhs. The production recorded by the said two units during 1958-59 was as follows:—

Products	Production in 1958-59
Woollen & worsted yarn	5,21,070 lbs.
Woollen & worsted cloth	6,94,822 yds.
Blankets, Shawls & Rugs	1,61,838 pcs.

Manufacture of Artificial Fibres

The rayon industry continued to maintain the upward trend in production. Two units have completed their licensed plans for expansion for the manufacture of rayon and two more units are progressing satisfactorily.

The target for the production of rayon yarn for the Second Five Year Plan has been revised to 100 million pounds. In addition, two schemes for manufacture of nylon based on the spinning of imported cuprolactam have been approved.

The existing capacity for the manufacture of staple fibre is 32 million lbs. In addition, licences for another 22.3 million lbs. have been granted.

I.F.C. Loans

Only one concern of this industry was sanctioned loans by the Corporation aggregating Rs. 1.10 crores, and the concern availed itself of the loans to the extent of Rs. 50 lakhs, but repaid the same during the year ended the 30th June 1956.

Manufacture of Wood and Cork except Manufacture of Furniture

The production of plywood is expected to maintain the level of 1957 and may amount to 126 million sq. ft. Out of this, tea-chest plywood is likely to be 88 million sq. ft. and commercial plywood 38 million sq. ft. The production of plywood is maintained in accordance with the target set up in the Second Five Year Plan. Chip-board and fibre board have been manufactured for the first time during the year under report. Production of Battery separators, Cork products, Jute shuttles and Bobbins continued to increase during the year.

I.F.C. Loans

One concern in this industry engaged in the production of plywood was sanctioned a loan of Rs. 30,00,000 by the Corporation for expansion. The concern availed of the loan to the extent of Rs. 27.5 lakhs and its production during the year 1958-59 was 1,12,10,713 sq. ft.

Manufacture of Paper and Paper Products

During the year, production of paper and paper board has increased to above 2,51,000 tons from 2,10,126 tons in 1957. In 1958, the installed capacity has also increased to 2,68,600 tons from 2,50,000 in 1957.

Specialised types of paper such as high gloss poster paper, bank paper, bond paper, off-set paper are now being manufactured by the principal units of the industry and the quantum of production is expected to increase in the next few years. Brush quoted art papers and press-pahn paper are two of the important new items of production taken up during the current year, by two units in the private sector. In another unit, besides the production of vulcanised fibre sheets, they have also taken up the manufacture of vulcanised fibre rods and tubes as also seamless cards and silver cans.

The only unit for the manufacture of newsprint in the country, which is in the public sector, had a practically trouble-free year of operation and it is expected to reach its optimum level of production of 20,000 tons during the year. The production of pulp is also progressing satisfactorily.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 5.72 crores to 9 units of the industry, one of whom is also engaged in the production of sugar, vanaspati, soap, cement and basic chemicals. Eight of these units have till now availed themselves of the loans to the extent of Rs. 3,48,00,000 and one of them repaid the loan taken by it amounting to Rs. 9,00,000.

The Corporation has also, with the prior approval of the Central Government, agreed to guarantee deferred payments in connection with the import of capital goods from outside India by two units of this industry (one of whom has also been sanctioned a loan of Rs. 1 crore) to the extent of Rs. 3,61,00,000. In the case of a third concern, the Corporation has, subject to the approval of the Central Government, which has since been received, agreed to under-write the issue of preference shares to the extent of Rs. 50 lakhs.

The products relating to this industry manufactured by the seven units whose loans were outstanding as on the 30th June 1959 and the production recorded by them were as follows:—

Products	Production in 1958-59
Paper	68,457 tons.
Boards	7,548 tons.

Manufacture of Rubber Products

The upward trend in the production of rubber items continued to be maintained during the year. There are at present 69 organised units engaged in the manufacture of diverse types of rubber articles such as automobile tyres and tubes, off-the-road tyres and tubes, rubber footwear, Vee and Fan belts, Railway fittings, automobile rubber components, mechanical and Moulded Rubber goods, Hoses, Rubber cots and aprons, surgical gloves and prophylactics, etc.

The production of Automobile tyres and tubes continues to be satisfactory. With the existing capacity together with the licensed capacity, and a further capacity under consideration, it is expected that the anticipated demand by the end of the Second Five Year Plan period will be met.

It has been estimated that the demand for bicycle tyres by the end of the Second Plan period would be of the order

of 16.6 million numbers per year. The present capacity is 7.23 million numbers and an additional capacity of over 10 million numbers per year has already been licensed.

The production of Rubber Footwear is progressing satisfactorily and it is expected that the target set for the Second Five Year Plan, i.e., 50 million pairs will be achieved.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 50.50 lakhs to three units of the industry and two of them have availed themselves of the loans to the extent of Rs. 32.00 lakhs. These concerns are engaged in the manufacture of various items of rubber goods and the production recorded by them in the major items during the year is given below:—

Products	Production in 1958-59
R. Bolting	29,30,000 ft.
R. Hose	36,00,581 ft.
Brake Hose	2,01,865 Nos.
Springs and compound	6,58,500 Nos.
Fan belt	2,50,000 Nos.
Pump connection	4,58,800 Nos.
Hospital etc. sheetings	2,91,077 lbs.
Cycle tyre	8,92,098 Nos.
Rubberised fabrics	3,49,843 yds.
Pedals	3,21,900 Pairs.
L. B. Caps	2,55,835 Gross.
Cables	1,48,31,100 ft.
Camel back	1,78,505 lbs.
Textile cots	6,75,730 Nos.

Basic Industrial Chemicals including Fertilisers

During the year under report, in spite of foreign exchange difficulties which affected the import of capital equipment and raw materials necessary for industrial production, the basic chemical industries have been able to maintain production at a reasonable level and have further been able to start production of several new products, and to make substantial progress in developing new schemes for production. For the first time, the manufacture of compounded electroplating salts, activated carbon, sodium perborate and heat treatment salts have commenced in this country. Though there has been some increase in the production of heavy chemicals, yet the demand for these chemicals have been increasing rapidly. It is expected that with the additional capacity coming up for production during 1959, the increased demand will be reasonably met. A more detailed report of the progress of the basic chemical industries is given in the following paragraphs.

Sulphuric Acid

The production of Sulphuric Acid for the year 1958 was 2,27,014 tons as against the actual production of 1,96,062 tons in 1957. This shows an increase of 16 per cent over that of 1957. A Bihar Government factory with an annual capacity of 8,250 tons of sulphuric acid has gone into production during the year under review.

Caustic Soda

With the completion of two expansion schemes, the total installed capacity for caustic soda has increased from 45,350 tons in 1957 to 68,965 tons in 1958, as against the Second Plan target of 1,50,000 tons per year. The actual production for 1958 is 57,187 tons as against 45,360 tons for the year 1957.

Chlorine

Until recently, one of the problems of the basic chemical industry was satisfactory disposal of the by-product chlorine. However, our capacity to absorb chlorine for water treatment, bleaching of paper pulp and for the production of items such as stabilised bleaching powder, DDT and benzene hexachloride, increased so rapidly in the last two years that there was an acute scarcity of chlorine at the beginning of 1958. The position has since been rectified. In the next few years it is likely that new chlorine compounds such as polyvinyl chloride will be manufactured within the country and the demand for chlorine in their production as well as in traditional items mentioned earlier will grow to such an extent that chlorine disposal will not appear as a major problem in spite of a rapid increase in the production of caustic soda.

Soda Ash

With the completion during the year of the expansion scheme at one of the chemical works, the total installed capacity of Soda Ash has risen from 1,08,000 tons to 1,11,000 tons per year. Considerable progress has been made in the erection of the two new factories for the production of Soda Ash at Porbandar and Varanasi. The actual production for 1958 is 89,755 tons as against 91,925 tons for the year 1957.

Fertilisers

The total production of ammonium sulphate during the year 1958 amounted to 3,84,330 tons as compared to 3,79,656 tons in 1957. The total production of Superphosphate for the year 1958 was 1,66,800 tons as against 1,41,684 tons in 1957. Two new units with a total capacity of 25,410 tons per year have gone into production during the year under review.

The total production capacity of fertilizers likely to be available at the end of the current Plan period would be 2.42 lakh tons in terms of nitrogen per year which works out to about 65 per cent of the estimated requirement of 3.73 lakh tons per year. Additional fertilizer factories to meet the full requirements of fertilizers were already under construction and it was being estimated that the total annual availability of fertilizers by the end of the year 1962 would be 3.92 lakh tons of nitrogen or about 2 million tons in terms of ammonium sulphate per annum.

Hydrosulphite

Hydrosulphite is one of the important chemicals used in the textile industry. So far, our requirements of hydrosulphite of a total value of over Rs. 1 crore per year have been met by imports. It is expected, however, that during 1959 trial runs will commence in the first two units to be established in the country. The production of hydrosulphite during 1959, 1960 and 1961 is expected to be 300, 2,000 and 3,000 tons respectively. The production figure for 1961 will represent approximately 60 per cent of our total requirements in that year.

I.F.C. Loans

Eight units of the basic chemical industry were sanctioned loans by the Corporation aggregating Rs. 7.66 crores. Out of these, six units, including three who are also producing certain miscellaneous chemicals, have availed themselves of the loans to the extent of Rs. 3.72 crores.

One of the aforesaid three units is also producing vanaspathi and vegetable oils. The more important products manufactured by the five units out of six (the remaining one has yet to go into production) which have been financed by the Corporation and also by another concern which is engaged in another industry and the actual production recorded by them were as follows:—

Products	Production in 1958-59
Sulphuric Acid	21,027 tons.
Soda Ash	31,591 tons.
Liquid Chlorine	1,734 tons.
Caustic Soda	9,907 tons.
Sulphate of Alumina	3,830 tons.
Fertilisers	51,299 tons.
Hydrochloric Acid	1,093 tons.

Manufacture of Vegetable and Animal Oil and Fats

The production of cotton-seed oil has recorded an increase—8,820 tons in 1958 as compared to 6,000 tons in 1957. Some of the cotton-seed oil manufacturers are modernising their units with delinting and hulling equipments. Three new plants have started commercial production of Solvent Extraction of oil cakes.

Production of soap in the organised sector is assessed at 1,20,000 tons of which approximately 18,000 tons constitute toilet soap.

I.F.C. Loans

Two units of this industry were sanctioned loans by the Corporation aggregating Rs. 11.00,000 and both of them availed themselves of the loans fully. As stated in our previous reviews, the factory of one of the units was sold by the Corporation, towards realisation of its dues. The production of the other unit and certain other units which

are mainly engaged in other industries but manufacture some products relating to this industry was as follows:—

Products	Production in 1958-59
Cotton seed oil	1,030 tons.
Ground nut oil	868 tons.
Cotton seed cake and pellets	5,645 tons.
Cotton seed linters	420 tons.
Cotton seed husk	1,009 tons.
Soap stock	213 tons.
Vegetable oil refined and hardened	658 tons.
Toilet and laundry soaps	150 tons.
Vanaspathi	10,120 tons.
Ground nut extractions	10,673 tons.
Cotton seed extractions	1,161 tons.

Manufacture of Miscellaneous Chemicals**Drugs and Pharmaceuticals**

With the increased medical facilities now provided in the country, the demand for drugs and pharmaceuticals is rising progressively. However, an overall increase in the local production of essential drugs and pharmaceuticals has also been recorded. Special mention can be made of the increased production of Penicillin, Anti-T.B. drugs like I.N.H. and other synthetic drugs. The Penicillin Factory at Pimpri is being expanded for the manufacture of Penicillin, and in addition, capacity for the manufacture of Streptomycin is being set up with American collaboration. A proposal for the manufacture of Vitamin A, Cortisone and its derivatives, Vitamin B6 and B12, etc. with foreign collaboration has also been licensed by Government for establishment in the private sector.

Paints and Surface Coatings

During the year, the production of quality finished paints have registered a further increase. There has also been steady stepping up of production in respect of essential raw materials of the industry like Synthetic Resins, Zinc Oxide, Chrome Colours and Phthalocyanine Blue. Liquid envelope for protection to precision instruments as well as Lacquer finishes for leather have been taken up for manufacture for the first time.

Other Chemicals

There has been marked increase in the production of various miscellaneous chemicals like Copper Sulphate, Sodium Sulphate, Ferrous Sulphate, Magnesium Chloride, Carbon bisulphide and acids such as Nitric Acid, Acetic Acid and Phosphoric Acid.

I.F.C. Loans

Six units of the industry were sanctioned loans by the Corporation aggregating Rs. 77.25 lakhs and five units have availed themselves of the loans to the extent of Rs. 33.75 lakhs.

The more important products manufactured by four concerns in this group (one having stopped production) and by certain other borrower concerns who are mainly engaged in other industries but manufacture some products relating to this industry, and the production recorded by them were as follows—

Products	Production in 1958-59
Starch	6,434 tons.
Titanium Dioxide	1,556 tons.
Red Lead	1,134 tons.
Soda Bicarb	940 tons.
Bleaching Powder	5,976 tons.
Ammonium Chloride	6,636 tons.
Nitrocellulose lacquers, thinners, synthetic enamels and varnishes	31,972 gallons.
Paints	42,977 gallons.
Zinc Oxide	342 tons.
Ammonia	723 tons.
Bleach Liquor	12,86,876 gallons.
Calcium Chloride	558 tons.

Manufacture of Glass and Glass Products

The production of glass has registered an increase of 13 per cent over that of last year. The rise in the production of sheet-glass, thermos-flasks and bottle-ware, etc.

was specially pronounced. Marked increase in the production of Laminating Safety glass and Synthetic Stones has been noticed. The production of certain new items of glass-ware such as glass building blocks, glass-wool, syringes and optical glass and ophthalmic lenses is now under consideration.

I.F.C. Loans

Six units of this industry were sanctioned loans by the Corporation aggregating Rs. 1.28 crores; all of them availed themselves of the loans and the total amount availed of was Rs. 1.17 crores. As stated in our previous reviews, the factory of one of these units was sold by the Corporation in part realisation of its dues. Two units have repaid the loans availed of by them. The more important products manufactured by the remaining three units in this group were sheet glass, bottles, table and pressed ware, and other items of glass-ware and the actual production recorded by them during the year 1958-59 was 3,613 tons of glass-ware and 2,62,14,100 sq. ft. of sheet glass (16/18 oz. thickness). One of the units in this group is also engaged in the manufacture of Hurricane Lanterns, Enamelware, Safety Stoves and Electric Motors.

Manufacture of Pottery, China and Earthenware

The growth of refractories industry has been impressive; the capacity has increased from 4,64,400 in 1957 to 5,79,610 tons upto the 1st October 1958 and it is expected that the capacity may further increase during the next three years. The target set for the Second Five Year Plan is 12.5 lakh tons as compared to the demand of 10 lakh tons. The production of refractories was 4.5 lakh tons during 1958 as against 3.6 lakh tons in 1957.

The production of Ceramics has increased by 18 per cent particularly in the fields of sanitary-ware, glazed tubes, high tension insulators and crockery.

I.F.C. Loans

Four units of the industry were sanctioned loans by the Corporation aggregating Rs. 64.25 lakhs and all of them availed of the loans to the extent of Rs. 64.10 lakhs.

The more important products manufactured by these units and another unit which is mainly engaged in the production of cement and the production recorded by them were as follows:—

Products	Production in 1958-59
Stoneware pipes	1,670 tons.
Jars and Stoneware	1,302 tons.
Refractories	70,192 tons.
Crockery (stoneware and earthenware)	12,250 tons.
Crockery—cups & saucers	1,53,155 dozen pairs.
Insulators	2,551 tons.

Manufacture of Cement

The cement industry has been steadily forging ahead. As against an installed capacity of 6.63 million tons at the beginning of the year, the capacity went up to 7.05 million ton by the end of 1958. The actual production during 1958 was 6.07 million tons as against 5.60 million tons during 1957. A further capacity of 7.24 million tons has been approved for installation during the current Plan period, which would raise the total capacity to 14.29 million tons. Out of this additional capacity, however, a capacity of 2.96 million tons only is covered by import licences for the import of cement-making machinery, so that the firm capacity expected during the Plan period is of the order of 10 million tons.

The demand for cement has recorded a downward trend due primarily to insufficient availability of steel and the slower rate of implementation of several Plan projects. The internal supply position has, therefore, comparatively eased. The excise duty on cement has been raised from Rs. 20 to Rs. 24 per ton with effect from the 1st March 1958, and the ex-works price of cement has been revised at varying rates in respect of different units with effect from the 1st July 1958, on the recommendation of the Tariff Commission. The selling price of cement has, however, been retained at the previous level of Rs. 117.50 per ton F.O.R. destination. Statutory control on the price and distribution of cement from the factories continues to be in force.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 5.80 crores to six units of this industry and a loan of Rs. 37 lakhs to a concern which was already engaged in the manufacture of sugar but took up this additional line.

One of the units is still in the erection stage and has not availed of the loan sanctioned to it by the Corporation. The remaining units have availed themselves of the loans to the extent of Rs. 3.64 crores.

The Corporation has, with the prior approval of the Central Government, agreed to guarantee deferred payments to the extent of Rs. 35,00,000 in connection with the import of capital goods from outside India by one of these units, which has also been financed by way of loans.

One of the units in this group financed by the Corporation is also manufacturing Refractories. The production recorded by this unit and the other units, whose loans were outstanding as on 30-6-59, as also by another unit which is engaged in another industry were as follows:—

Products	Production in 1958-59
Cement	14,66,153 tons.
Cement Products	5,820 tons.

Basic Metal Industries—Iron and Steel

The production of iron ore during the year 1958 was estimated at 5,824,000 tons as against 5,074,000 tons during the preceding year. This represents an increase of about 15 per cent. The total output of pig iron began to move up, particularly during the last quarter of the year, as a result of the practical completion of the expansion projects of two leading companies. Production of steel was consequently better, and despite labour strike in one of the plants during mid-year, it is estimated at about 13.75 lakh tons as compared with 13.45 lakh tons in 1957.

The provisional target capacity of 1,71,800 tons for standard ferro-manganese to be attained by 1960-61 has already been exceeded. Out of this, 60,000 tons is our estimated consumption by the end of Second Five Year Plan and the balance is to be exported.

I.F.C. Loans

The Corporation sanctioned a loan of Rs. 23 lakhs to a concern which was already engaged in the production of sugar, but took up a scheme for the production of ferro-manganese. The concern produced 4,078 tons of ferro-manganese during the year 1958-59.

The Corporation jointly with two firms of share and stock brokers underwrote the issue of preference shares by another industrial concern set up for the manufacture of ferro-manganese to the extent of Rs. 37.50 lakhs and the issue was oversubscribed.

Non-Ferrous Metals

India's annual requirements of basic non-ferrous metals like aluminium, copper, zinc, tin, lead, nickel, antimony, manganese, silicon, are estimated at Rs. 40 crores, and these are expected to rise to about Rs. 48 crores by the end of the Second Five Year Plan. However, the indigenous production of the various non-ferrous metals is not more than Rs. 7 crores. Consequently, the remaining Rs. 33 crores worth of non-ferrous metals are perforce to be imported into the country every year. Efforts are being made to prospect extensively to find out workable ore deposits of various non-ferrous metals in different parts of the country and also to encourage the setting up of smelters on the important ores/concentrates wherever possible.

The country's present requirements of aluminium are estimated at about 30,000 tons per annum, and the development of the transport industry, the rural electrification and also the various grid systems which are being encouraged, will increase the utilisation of aluminium in the coming years more and more. It is estimated that by 1960-61 the requirements of the country would be of the order of 40,000 to 45,000 tons. At present there are two firms which are manufacturing aluminium from the ore. The combined capacity of these two units is about 17,500 tons per year. One of the firms has a new plant which has a capacity of 10,000 tons of aluminium ingots per year, and has applied to Government for increasing the installed capacity of this unit by 10,000 tons per annum, making it about 20,000 tons of virgin aluminium. The other firm has a proposal to expand their present capacity by about 5,000 tons per annum. There is a third party, who is contemplating to set up a smelter in the Rihand Dam area with the installed capacity of 10,000 tons. In the south, at Salem, some negotiations are in the initial stages for setting up a smelter with 10,000 tons capacity.

The country's present demand of lead is estimated to be about 16,000 to 18,000 tons per annum and it is expected to increase to 20,000 to 22,000 tons per annum by 1960-61. There is at present only one unit producing lead. Though the capacity of the smelter of this unit is about 6,000 tons per annum, due to the inadequacy of the ore dressing plant at their mines they are only able to produce about 3,000 tons of lead at present. They have plans to increase their ore dressing capacity and it is visualised that by the end of 1960-61 they will be able to produce enough lead concentrates to feed their smelter to produce 6,000 tons of lead annually.

At present the zinc requirements are in the neighbourhood of 60,000 tons. By 1960-61 it is estimated that our requirement would go upto 70,000 tons per annum. The ores available in this country contain both lead and zinc. As there are no facilities at present in the country for the smelting of zinc concentrates, zinc concentrates are being exported to Japan and the zinc ingots thus smelted are being received back on toll basis. Thus about 4,000 tons of zinc ingots are being produced from the concentrates made by the only firm in the country which has put up a scheme for the manufacture of zinc with an annual capacity of 15,000 tons of zinc metal.

The production of lead and zinc ores in India during 1958 was 1,19,556 tons as against 95,462 tons in 1957. This represents an increase of about 25 per cent over the previous year. The recovery of lead and zinc concentrates during 1958 amounted to 5,257 tons and 7,245 tons respectively as compared to 4,850 tons and 7,469 tons during 1957.

I.F.C. Loans

Three units of this industry have been sanctioned loans aggregating Rs. 1.17 crores by the Corporation and all of them availed themselves of the loans to the extent of Rs. 1.16 crores.

The principal products manufactured by these units and the production recorded by them were as follows:—

Products	Production in 1958-59
Aluminium ingots	2,461 tons.*
Aluminium sheets and circles	1,902 tons.
Lead Concentrates	5,783 tons.
Zinc Concentrates	8,058 tons.
Pig Lead (recovered from lead concentrates)	3,513 tons.
Silver	1,03,680 ozs.
Non-ferrous Metals and Alloys	3,073 tons.

*1,937 tons consumed in the manufacture of sheets and circles.

Manufacture of Metal Products except Machinery and Transport Equipment

In spite of the difficulties, such as shortage of raw materials, restrictions on the import of capital goods/equipment due to paucity of foreign exchange, the heavy machinery industries have registered an increase in production. The Government have recommended the revision of the target for the steel structurals industry (excluding railway wagons) from 2,50,000 tons per annum, as originally laid down for the Second Five Year Plan to 4,50,000 tons per annum. This target is about 10 per cent of the total estimated steel production by that date.

In the light machinery engineering industries, which constitute a group of industries engaged in the manufacture of consumer goods, production has increased considerably, in particular, Ball bearings, Sewing Machines, Hosiery Needles, Clock, Duplicators, Crown Corks, Rubber Ply Belting, Machine Screws and Pressure stoves. During the year under review, some expansion and new schemes have been implemented. It is expected that in the case of ball bearings, the production target set in the Second Five Year Plan will be achieved ahead of time.

In the metallurgical industries with the exception of four industries viz., Copper, Aluminium Wire rods (for ACSR), Brass/Copper pipes and tubes and Head pipes and tubes, the other industries have recorded a rise in production over the 1957 level.

The demand of the country for steel castings by 1960-61 has been estimated to be 72,000 tons per annum, and the Government has already approved a total capacity of 81,220 tons per annum. Among the new units which have been granted licences for the establishment of steel foundries, four have gone into production. Production of chilled iron shots and grits has been commenced for the first time in the country during the year under report.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 2.91 crores to 14 units of this industry. Eight of these have availed themselves of the loans to the extent of Rs. 1.52 crores and one of them is also engaged in the production of points, crossings and sleepers required by the railways and another in the production of electric fans and paints. Two of the units have fully repaid the loans aggregating Rs. 12.5 lacs availed of by them.

The more important products manufactured by all but one of the concerns in this group, whose loans were outstanding as on the 30th June 1959, and by four other concerns mainly engaged in other industries and the production recorded by them were as follows:—

Products	Production in 1958-59
Steel Bars and Rods	37,504 tons.
Wood Screws	6,11,595 gross.
Steel Castings	3,982 tons.
Steel Castings (job work)	Rs. 39.16 lakhs (worth).
Sewing Machines	1,97,126 nos.
Hurricane Lanterns	64,088 nos.
Enamelware	3,58,650 sq. ft.
Safety Stoves	31,860 nos.
Steel Structurals	1,423 tons.
Steel Structurals	Rs. 13.17 lakhs (worth)
Hacksaw Blades	25,916 gross.
As Copper Rods	2,209 cwts.
Electric copper rods & strips	1,495 cwts.
Brass rods and wires	1,878 cwts.

Manufacture of Machinery except Electrical Machinery Textile Machinery

In view of the fact that the textile industry was experiencing somewhat difficult conditions during the year under review, the demand for calico looms, complete spinning frames, etc. remained sub-due. The output of calico looms is estimated around 2,500 numbers, the corresponding figure a year ago being 2,888. There was an increase in the installed capacity of complete ring spinning frames during the year from 158 to 232, but production of this item declined to the estimated figure of 850 numbers, as against 1,368 in the preceding year. The installed capacity in carding engines expanded further from 141 to 250 and production rose from 1,020 numbers to about 1,215 numbers.

The Textile machinery manufacturers, in general, have had to slow down production, as the consuming mills have asked for deferred delivery of the machinery owing to the temporary difficulties experienced by the textile industry. The Expert Ad Hoc Committee set up by Government has suggested for the consideration of the manufacturers that spare capacity should be utilised in respect of which there is inadequate capacity or towards meeting the demands of other engineering industries by diversifying their production programme.

Diesel Engines and Pumps

The stationary Diesel Engines Scheme, for the manufacture of new ranges of engines covering 3 H.P. and engines covering from 50 to 400 H.P. and Marine type diesel engines upto 24 H.P. has been sanctioned. The production of vehicular type diesel engines, scooters including auto-rickshaws, and stationary diesel power-driven pumps is satisfactory. It is expected that the target fixed in the Second Five Year Plan for Stationary Diesel Engines is likely to be achieved by 1959.

The Second Five Year Plan target for production of diesel engines for agricultural requirements has been exceeded. The production of diesel engines to drive agricultural pumps rose to 27,165 in 1958, substantially higher than the target of 20,500 engines per year scheduled to be achieved by the end of the Second Plan.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 1.43 crores to five units of this industry and four of them have availed themselves of the loans to the extent of Rs. 1.36 crores. One of these four units is also engaged in the production of cotton and staple yarn, and another in the production of steel castings.

The principal products in this group manufactured by concerns whose loans were outstanding as on the 30th June 1959 and by another concern engaged in another industry and the production recorded by them were as follows:—

Products	Production in 1958-59
Revolving Flat Cards 40"	375 Nos.
Healds	2,379 Dozen sets.
Reeds	399 Dozen pcs.
Oil Engines 5 B.H.P.	12,160 Nos.
Oil Engines 10 to 48 B.H.P.	1,160 Nos.
One pulleys and lathes	983 Nos.
<i>Tea Machinery</i>	
Tea Rollers	41 Nos.
Other items like breakers, sifters, extractors, etc.	247 Nos.
<i>Jute Mill Machinery</i>	
Spinning frames and conversion	63 Nos.
Other items like winders, gunny teasers, etc.	18,413 Nos.
A.D.V. Brakes	270 Sets.
Spare, Castings, etc.	Rs. 13.48 lacs (worth).

Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies

There has been steady increase in production of electric fans, electric motors, power and distribution transformers, storage batteries, electric house service meters, domestic refrigerators, electric sheet steel, radio-receivers, cables and wires, winding wires, rubber and plastic cables, aluminium conductors, gramophones, water-meters, mathematical instruments, and air-conditioners. Particular mention should be made of air-conditioners, domestic refrigerators and winding wires, which have registered an increase of 72 per cent, 112 per cent and 126 per cent respectively. There has been a slight decrease in the production of Electric lamps, Fluorescent Tubes and Dry Cells and batteries due to closure of one major unit. The target previously fixed for electric fans i.e., 6,00,000 having been exceeded, a revised target of 9,00,000 for 1960-61 has been fixed. For the first time in India production of paper insulated power cables, mercury vapour lamps and PVR insulated aluminium cables for house-wiring has been started during the year. A number of new schemes and expansion in the existing schemes for manufacture of electric motors, cables and wires, storage batteries, electric fans, etc. have materialised during the year.

Production of electric motors rose from 469 thousand H.P. to about 645 thousand H.P. Power transformers remained more or less steady at 1,100 thousand K.V.A., as also electric lamps around 30 million numbers. The supply of other types of electric lamps remained steady. Electric fans, however, rose from 5.25 lakhs to about 6.75 lakh numbers. The trend in radio receivers continued to remain steady. There is not much change in the production of house service meters, the monthly average of which stands at 28,500 numbers as against 27,545 numbers a year ago.

I.F.C. Loans

The Corporation sanctioned loans aggregating Rs. 1.82 crores to thirteen units of the industry, of whom nine units have availed themselves of the loans to the extent of Rs. 96,00,000. One of the units has repaid the loan in full and another had stopped production. A third unit in this group is also engaged in the production of electric copper rods, brass rods and wires.

The principal products manufactured by all but one of the concerns in this group whose loans were outstanding as on the 30th June 1959, and by two other concerns which are mainly engaged in other industries and the production recorded by them were as follows:—

Products	Production in 1958-59
Electric Motors	26,852 Nos.
Transformers	1,91,470 H.P.
Alternators	1,244 Nos.
Motor batteries	1,50,000 KVA.
Train lighting batteries	141 Nos.
Radio sets	423 KVA.
Motor control gears	78,357 Nos.
Circuit breakers	16,335 Nos.
Welding transformers	3,410 Nos.
Distribution boards	25,982 Nos.
Electric fans	1,278 Nos.
Electrical accessories	34 Nos.
H.D.B. & cad copper conductors	123 Nos.
House service electric meters	3,26,247 Nos.
Iron clad switches	1,28,804 Nos.
H.R.C. Fuses	39,308 Cwts.
	94,100 Nos.
	25,747 Nos.
	34,400 Nos.

Manufacture of Rail-road Equipment

The year saw further progress made in the direction of self-sufficiency in rolling stock. Chittaranjan produced 164 W.G. locomotives making a total of 320 locomotives since the commencement of production in November 1950. The production of coaches at the Integral Coach Factory, Perambur, was 222 during the year under review, making a total of 310 coaches since the commencement of production in 1955. There was also substantial progress in the output of wagons and coaching underframes from established wagon-builders within the country. Out of 29,634 wagons of all gauges placed on the line during the year 1957-58, 17,216 were from indigenous sources. Similarly, out of a total of 1,408 coaching vehicles only 164 vehicles were imported.

Mechanical signalling equipment is now largely made in the country and the industry has almost doubled its output in recent months. Plans were also worked out for simultaneous development of electrical signalling equipment both in the private and public sector. A nucleus development co-ordinating cell under the Stores Directorate in the Railway Board's office, set up in 1956 as recommended by the Railway Equipment Committee, was entrusted with the task of developing indigenous capacity for such items as are generally imported or for which sufficient capacity does not exist in the country. Indigenous capacity was located for seven items of pressure castings and for both steam pressure gauges and vacuum gauges. Considerable developmental action was being taken to foster manufacture of miscellaneous items of equipment in the country, such as track materials, particularly, production of rails and cast iron sleepers, train lighting equipment, for example, dynamos, switch-gear batteries, etc., and headlights of locomotives.

I.F.C. Loans

The Corporation has sanctioned loans aggregating Rs. 70 lakhs to two concerns in this industry. One of them has availed itself of the loan to the extent of Rs. 25 lakhs and this concern is also engaged in the production of Steel Structural and Tea and Jute machinery.

The principal products manufactured by the aforesaid concern and another concern, which is mainly engaged in another industry, and the production recorded by them were as follows:—

Products	Production in 1958-59
Railway points and crossings	1,510 equated turnouts.
Sleepers	377 Sets.
Screw couplings	24,723 Nos.
Shackles	3,086 Nos.
Levers	5,548 Nos.
Wagon components	Rs. 1,49,793 (worth).
Signalling Equipment	Rs. 10,01,978 (worth).
Diesel Road Rollers	27 Nos.
Steam Road Rollers	4 Nos.

Manufacture of Motor Vehicles and Ancillaries

The production of automobile and connected industries continued to expand during the year under review; wherever possible licences for the manufacture or expansion in the existing capacity for the manufacture of heavier types of vehicles, trucks radiators, pistons and bus bodies have been granted. A new scheme for the manufacture of direction indicators, side lamps and light switches was also sanctioned. The manufacture of valves silencers, gasoline tanks, motor car wheels and air-compressors is expected to commence shortly.

The rated established manufacturing capacity for the industry was already reaching the target of 65,000 automobiles (20,000 cars, 40,000 trucks and 5,000 jeeps and station wagons) per year and it might even exceed the target by the end of the Second Plan. The non-availability of adequate foreign exchange had, however, reduced the actual quantitative production. The production in 1958 was 26,788 automobiles as compared with 33,058 automobiles in 1957. This decline was partly due to a strike in one of the factories for about four months and due to the shortage of foreign exchange, which had led to restrictions in the licensing of imported components.

The Government of India have set up a seven-man Committee with Shri L. K. Jha, Additional Secretary, Ministry of Commerce and Industry, as Chairman to assess the progress made by the automobile industry and examine the possibility of producing a more economic car for the common man.

IFC Loans

Four units in this industry were sanctioned loans by the Corporation aggregating Rs. 1.68 crores. One of these units made an issue of debentures to the extent of Rs. 1,60,00,000, which was underwritten by the Corporation jointly with two other institutions, and repaid the outstanding loan from the proceeds of the debenture issue. Another unit has also repaid its loan in full.

In respect of one of the two remaining concerns, the Corporation has, with the approval of the Central Government, agreed to guarantee deferred payments to the extent of Rs. 28 lakhs, in connection with the import of capital goods from outside India.

The principal products manufactured by the aforesaid two concerns in this group and the production recorded by them were as follows:—

Products	Production in 1958-59
Scooters, scooterettes and 3-wheelers	4,141 Nos
Diesel engines	578 Nos
Brake lining	2,17,671 R. ft
Clutches	11,270 Pcs
Brake Parts	1,10,918 Pcs
Motor cycles and 3 wheelers	3,140 Nos

Manufacture of Bicycles

The target of production of bicycles in the Second Plan has been fixed at 1.25 million bicycles for 1960-61. Against this, 24 units in the large scale sector with a capacity of 1,377,500 bicycles and 78 units in the small scale sector with a capacity of 353,000 bicycles have been approved by Government. At present 20 units are in production in the large scale sector and their total production during the first six months of 1958 has been 483,544 bicycles. The small scale sector has produced 81,352 bicycles during the same period. The total production for the whole of 1958 is estimated at 10 lakh cycles.

IFC Loans

The Corporation has sanctioned loans aggregating Rs. 80.50 lakhs to two units of this industry. During the year 1958-59, these concerns manufactured 3,23,155 complete bicycles as also bicycle parts like chains, hubs, pedals, spokes, saddles, free-wheels, B.B. fittings, forks, head-fittings, etc., etc.

Miscellaneous Manufacturing Industries

The Corporation has sanctioned loans aggregating Rs. 43.30 lakhs to seven units in this group. Six of them engaged in the production of starch, zip fasteners, sports goods, torches, electroplated goods, industrial cloth, processing and printing of motion picture film, etc., availed themselves of the loans to the extent of Rs. 36.30 lakhs. Two of the concerns repaid the loans in full and the factories of two other concerns were sold by the Corporation in realisation of its dues.

Electric Light and Power

Before the First Plan, the total generation of power, both thermal and hydel, was 23 million kilowatts. In the First Plan the country added 1.1 million kilowatts making it 34 million kilowatts. In the Second Plan we have a target of adding 3.5 million kilowatts more of power, bringing it to a total of 69 million kilowatts. That means we will be having three times the power that existed in 1951.

The per capita consumption in our country was about 14 units before the First Plan, 25 units at the end of the First Plan, and it might be 50 by the end of the Second Plan.

IFC Loans

The Corporation sanctioned loans aggregating Rs. 82.75 lakhs to five units of the industry and two of them availed themselves of the loans to the extent of Rs. 37.46 lakhs. As stated in our previous reviews, one of these two concerns stopped generating electricity on its own with effect from the 3rd April 1955 and is from that date receiving hydro-electric power in bulk and distributing the same to its consumers. During the year 1958-59, this concern purchased 12,60,650 units of electricity and sold to its customers 11,39,919 units. The other concern produced 2,10,87,270 units of electricity during the year.

A statement attached herewith as Appendix 'H' shows the extent to which the Corporation has contributed to meeting the needs for Industrial Finance during the last eleven years.

APPENDIX 'H'

Statement showing

- Number of units sanctioned loans in each type of industry
- Total paid-up capital of the units in each type of industry
- Total installed capacity each industry will have when the loans are fully availed of
- Total Sales in 1958-59.

Serial No.	Type of Industry	No. of Units	Total paid-up capital of the units in each type of industry*	Amount sanctioned as loan by IFC upto the year ended 30th June, 1959	Expected total installed capacity when all loans sanctioned by the Corporation are availed of	Total Net Sales in 1958-59*
1	2	3	4	5	6	7
			Rs.	Rs.		Rs.
1	Food Manufacturing Industries except Beverage Industries	46	12,79,37,000	20,72,00,000	Sugar Cane crushing capacity 58,400 tons per day	23,47,29,000
2	Manufacture of Textiles—Spinning, Weaving & Finishing of Textiles	43	6,64,46,000	9,79,75,000	Cotton Textiles Spindles 10,08,242 } Looms 11,107 }	17,75,04,000
					Woolen Textiles— Spindles 12,162 } Looms 84 }	1,81,24,000
3	Manufacture of Artificial Fibres	1		1,10,00,000		
4	Manufacture of Wood and Cork except Manufacture of Furniture	1	33,18,000	30,00,000	Plywood 12 million sq. ft p.a.	50,19,000
5	Manufacture of Paper and Paper products	9	6,53,34,000	5,74,50,000	Hardboard 12.5 tons per day Paper & Board 1,77,575 tons p.a.	10,57,54,000
6	Manufacture of Rubber Products	9	77,80,000	50,50,000	Cycle Tyres 30 lacs p.a. Cycle Tubes 15 lacs p.a. Transmission and Conveyor Belting 60,00,000 ft p.a. V Belts and Fan Belts 9,60,000 p.a. Vacuum Hoses, Buffer Springs, etc. Rubber Products Rs. 50 lacs worth of products p.a.	1,63,46,000 51,22,000

*Based on latest available information but do not include the figures in respect of concerns (i) which have repaid the loans in full, (ii) which have declined the loans sanctioned to them, (iii) to which loans have not been made available, (iv) which have not gone into production, (v) whose factories have been sold by the Corporation, and (vi) which have stopped working.

APPENDIX 'H'—contd.

1	2	3	4	5	6	7
			Rs.	Rs.		Rs.
7	Manufacture of Basic Industrial Chemicals including Fertilisers.	8	6,70,93,000	7,66,00,000	Sulphuric Acid .. 82,050 tons p.a. Caustic Soda .. 68,635 tons p.a. Soda Ash .. 75,600 tons p.a. Ammonia .. 24,060 tons p.a. Ammonium Sulphate .. 56,000 tons p.a. Superphosphate .. 44,000 tons p.a. Ammonium Chloride .. 8,250 tons p.a.	7,01,24,000
8	Manufacture of Vegetable & Animal Oil and Fats.	2	12,69,000	11,00,000	Oil Seeds and Cakes (crushing) .. 50 tons per day Cotton Seed (processing) .. 30 tons per day	32,45,000
9	Manufacture of Miscellaneous Chemical products.	6	1,06,04,000	77,25,000	Titanium Dioxide .. 3,600 tons p.a. Red Lead (non-setting) .. Yellow Litharge .. } 100 tons per month Battery Litharge .. Red Lead (setting) .. Ordinary Yellow Litharge .. } 100 tons per month Potassium Chlorate .. 52 tons per month Chlorine .. 900 tons p.a. Chloride (Ferric, Aluminium and Barium) .. 600 tons p.a. Miscellaneous Chemical products.	49,18,000 31,62,000 8,99,000
10	Manufacture of Glass and Glass products.	6	83,07,000	1,27,50,000	Sheet Glass .. 45 million sq. ft. p.a. Other kinds of Glass products viz., Bottles, Tumblers, etc. .. 21,300 tons p.a.	8,62,000 1,16,59,000
11	Manufacture of Pottery, China & Earthenware.	4	81,41,000	64,25,000	Potteries .. Rs. 1,58,32,000 worth of products per annum. Ceramics and Refractories Stone-ware Pipes .. 1,500 tons p.a. Fireclay Refractories .. 90,060 tons p.a. Silica Bricks .. 35,200 tons p.a. Other Refractories .. 16,500 tons p.a.	1,31,13,000 72,96,000
12	Manufacture of Cement ..	6	6,97,98,000	6,17,00,000	Cement .. 18,31,300 tons p.a.	7,97,84,000
13	Basic Metal Industries—Iron and Steel.	..	..	23,00,000†	Ferro-manganese .. 12,000 tons p.a.	13,04,000
14	Non-ferrous Metals Industry ..	3	1,90,00,000	1,17,00,000	Lead Concentrates .. 6,000 tons p.a. Zinc Concentrates .. 9,000 tons p.a. Pig Lead .. 6,000 tons p.a. Silver .. 3,60,000 troy oz. p.a. Brass and Copper Sheets and Strips .. 6,000 tons p.a. Ingots (Aluminium) .. 2,400 tons p.a. Sheets and Circles (Aluminium) .. 2,400 tons p.a.	80,00,000 1,81,90,000 1,25,78,000
15	Manufacture of Metal Products except Machinery & Transport equipment.	14	3,79,28,000	2,90,50,000	Sewing machines .. 3.00 lacs p.a. Needles .. 3.00 lacs p.m. Steel Castings, bars & rods .. 1,01,400 tons p.a. Wood Screws .. 1.2 million gross p.a. Railway points and crossings .. 160 equated turnouts (90 lbs) p.m. Do. .. 200 equated turnouts (50 lbs.) p.m. Steel Structures .. 21,600 tons p.a. High Frequency electrically welded Steel Tubes with diameters 1" to 6" .. 60,000 tons p.a. Steel Sockets 1½" to 6" ..	2,44,43,000 3,64,27,000 10,67,000 35,87,000 1,90,91,000

†This is an additional loan sanctioned to a concern already engaged in the manufacture of Sugar. The unit has been included in the number of units shown against "Food Manufacturing Industries except Beverage Industries".

APPENDIX 'H'—concl'd.

1	2	3	4	5	6	7
			Rs.	Rs.		Rs.
16	Manufacture of Machinery except Electrical Machinery.	5	1,68,75,000	1,42,50,000	Carding Engines .. 900 p.a. Oil Engines .. 6,520 p.a. Healds .. 12,000 doz. sets p.a. Reeds .. 4,440 doz. pcs. p.a. Conc-pulley lathes (light & heavy duty) 750 Nos. p.a. Light type geared-head lathes 36 Nos. p.a. High speed heavy duty geared-head lathes 150 Nos. p.a. Capstan and Turret lathes 120 Nos. p.a. Steam and Diesel Road Rollers 100 Nos. p.a. Other Machines 75 Nos. p.a. Tea Machinery .. Rs. 48 lacs worth of products p.a. Jute & other Machinery Rs. 72 lacs worth of products p.a.	68,06,000 1,33,87,000 5,13,000 80,62,000 1,22,85,000
17	Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies.	13	1,60,62,000	1,81,70,000	Motor Car Batteries .. 1,20,000 p.a. Train Lighting Batteries 12,000 p.a. Dry Charge Batteries 6,000 units p.a. Iron Clad Batteries 2,400 units p.a. Microphorous Rubber Separators 7.5 million units p.a. Radios 60,000 sets p.a. Other Electrical Accessories .. Transformers .. 3,88,000 K.V.A. p.a. Electric Motors .. 1,20,000 H.P. p.a. Fans (Carriage, Ceiling and Table) 3 72 lacs p.a. Aluminium Cables 5,000 tons p.a. House Service Meters 84,000 meters p.a. Dry Batteries 48 million cells p.a. Glow Switches 12,00,000 pcs. p.a. Flourescent Tubes 9,00,000 p.a.	2,62,41,000 3,23,08,000 2,90,51,000 ..
18	Manufacture of Rail-Road Equipment.	2	69,32,000	70,00,000	Railway Signalling Equipment .. Rs. 60 lacs worth of products p.a. Railway goods wagons 1,000 p.a. Coaching underframes 370 p.a.	— — —
19	Manufacture of Motor Vehicles & Ancillaries.	4	58,47,000	1,68,00,000	Brake Lining .. 3,12,000 R.ft. p.m. Diesel Engines 3,000 p.m. Borg and Beck Clutches 15,000 pcs. p.a. Motor Cycles 5,000 p.a. Three-Wheeler chassis 1,800 p.a.	1,67,88,000 68,19,000
20	Manufacture of Bicycles ..	2	1,34,62,000	80,50,000	Bicycles .. 3,50,000 units per annum and spare parts.	4,47,04,000
21	Miscellaneous Manufacturing Industries.	7	31,83,000	43,30,000	.. ..	74,10,000
22	Electric Light and Power ..	5	54,82,000	82,75,000	.. 45,510 K.W.	23,89,000
		190	56,13,07,000	62,60,00,000		1,08,96,60,000

APPENDIX 'I'

Summary of the proceedings of the fifth conference of the representatives of the State Financial Corporations held on the 11th December 1958

(1) Provision of training facilities to the supervisory staff of the State Financial Corporations

The Conference suggested that the formulation of a suitable scheme of training for the supervisory staff of the Corporations, might be finalised early by the Reserve Bank. The Reserve Bank was also requested to find out the possibility of including a representative of the State Financial

Corporations on the Council of the Indian Institute of Bankers.

(2) Financing of Industries in Japan

The Conference was informed that the officials of the Reserve Bank and State Financial Corporations who visited Japan studying the techniques and practices followed by the credit institutions in that country had since returned to India. Certain important features of the arrangements existing in Japan for financing industries, particularly, small scale industries, such as the commercial banks contributing to a large extent to the debentures

issued by the term-lending institutions and functioning as agents of the latter and the systems of credit insurance and guarantees which obtained in that country, were discussed and it was indicated that it might be useful to consider whether some at least of the methods and practices being followed by the Japanese institutions could be adopted in India.

It was suggested at the Conference that a Working Centre or Seminar might be constituted by the Reserve Bank so that the problems of small-scale industries in obtaining financial assistance might be studied intensively and a factual report (which need neither contain specific recommendations nor far-reaching suggestions) prepared on the subject.

(3) *Pilot scheme for the provision of credit to Small-Scale Industries*

The Conference noted the progress made in the working of the Pilot Scheme and the further steps taken by the State Bank in order to make the operation of the scheme more effective. The evaluation report on the Pilot Scheme which had recently been prepared showed that the Scheme had worked satisfactorily at the nine centres where it was originally introduced although one of the important objectives of the Scheme, namely, closer co-ordination between the participating agencies had not yet been fully achieved. The recommendations contained in the evaluation report were generally accepted by the State Bank. The bank had since decided that the various liberalisations effected in the procedure for the grant of loans at the Pilot centres should be extended to all its branches. A few of the Pilot centres would be selected for intensive working of co-ordination arrangements with the State Financial Corporations, State Governments, etc. The State Bank would be willing to extend agency facilities to centres other than those selected for the Pilot Scheme if a request to that effect was made by the Corporation concerned.

(4) *Joint Financing against Composite Security*

It was suggested that joint financing by the State Bank and a State Financial Corporation against composite security might be undertaken. One of the State Financial Corporations had been negotiating with the State Bank in regard to the provision of finance on composite security to tea gardens on the basis that both the charges would rank pari passu. The need for pursuing these negotiations was stressed as these might indicate whether it would be feasible to introduce similar arrangements with the other Corporations.

(5) *Utilisation of the agency of State Financial Corporations for routing Government Funds to Small-Scale Industries*

The Conference was informed that there was no rigidity about the suggestion made by the Small Scale Industries Board that 10 per cent of the block loans provided by State Governments should be routed through the State Financial Corporations; the intention was that at least 10 per cent of such loans should be channelled through the Corporations.

It was suggested that below a certain limit, the State Financial Corporation itself should be enabled to provide loans out of its own funds at a concessional rate; this might need subsidy from the State Government and it would also be necessary for the Corporation to relax its standards as regards security, margin, etc. in line with Government's liberalised scheme. It was indicated that the suggestion might be referred to the Government of India.

The need for informal discussions between the State Governments and the concerned Corporations was stressed so that, if possible, the process of appointing the Corporations as agents for channelling Government funds might be speeded up.

(6) *Report of the working group on Industrial Co-operatives—Recommendations regarding provision of credit to Industrial Co-operatives through the State Financial Corporations*

The Conference considered the recommendations made by the Working Group on Industrial Co-operatives in so far as they concerned the State Financial Corporations.

In regard to one of the recommendations viz., that the State Bank might act as the agent of State Financial Corporations in respect of medium or long-term loans granted to industrial co-operatives, the Conference was of

the view that since the State Bank itself might be providing medium-term loans, it was sufficient if the bank acted as the agent of the Corporations only in respect of long-term loans. In regard to another recommendation which suggested the inclusion of a representative of the industrial co-operatives on the Board of Directors of a State Financial Corporation, it was thought that the representative of the co-operative banks who was already on the Board of the Corporation might be expected to keep in view the interests of industrial co-operatives; it was also open to the State Government to give suitable representation to these co-operatives through one of its nominees.

As regards the recommendation that the State Financial Corporations might provide loans against the guarantee of an apex marketing society, it was felt that a suitable enabling provision might be included in the State Financial Corporations Act for the purpose, if the recommendation was eventually accepted by the Government of India.

The Conference supported the recommendation that Government might provide an appropriate subsidy to the State Financial Corporations in cases where loans were made out of their own funds to industrial Co-operatives so that these might be given at a concessional rate of 3 per cent.

(7) *Acceptance of Fixed Deposits by the Corporations*

The view expressed by one of the Corporations that acceptance of deposits was a more flexible form of raising funds inasmuch as deposits were received throughout the year in small lots and could be invested without loss of interest, was decided to be recorded without prejudice.

(8) *Amendments to the State Financial Corporations Act, 1951*

The Conference accepted certain suggestions made by the Reserve Bank for further amending the State Financial Corporations Act, 1951. The more important of the suggestions were intended to enable the State Financial Corporations—

(i) to finance "hotel industry",

(ii) to guarantee loans granted to industrial concerns by commercial banks and co-operative banks, and

(iii) to grant loans against the guarantee of the Central Government also.

(Under the existing Act, the Corporations are authorised to grant loans against the guarantee of a State Government, scheduled bank or State Co-operative Bank).

(9) *Jurisdiction of Corporations in Financing Industrial concerns.*

In regard to the jurisdiction of Corporations in financing industrial concerns which did not have their factory premises and registered offices in the same State, it was agreed that the criterion should be the location of the factory; in other words, the unit concerned might approach the State Financial Corporation of the State in which its factory premises were situated.

(10) *Insurance of properties mortgaged to the Corporations*

The suggestion that there should be uniformity among the various Corporations in deciding the extent upto which the assets mortgaged to them as security should be got insured against the usual risks of fire, etc., was discussed and it was agreed that the Reserve Bank should examine this issue in detail, set down the principles involved and convey them to the respective Corporations so as to enable them to take decisions.

(11) *Standardisation of the forms of periodical progress reports and inspection reports on the working of the borrowing concerns*

The Reserve Bank was requested to prepare, in consultation with the various Corporations, model forms of periodical progress reports and inspection reports on the working of the borrowing concerns for the guidance of the Corporations.

(12) *Representation of State Financial Corporation on the Small-Scale Industries Board*

It was indicated that arrangements would be made for one more representative of the Corporations to attend the meetings of the Small-Scale Industries Board by special invitations.

INDUSTRIAL FINANCE

NEW

Balance Sheet as at

Previous Year	Capital and Liabilities				This Year
Rs. Lakhs		Rs.	Rs.	Rs.	
10,00,00,000	1. Authorised Capital— 20,000 shares of Rs. 5,000 each .. .. .	..	..	..	10,00,00,000
5,00,00,000	Issued, Subscribed & Paid-up Capital— 10,000 shares of Rs. 5,000 each fully paid-up (Guaranteed by Government of India under Section 5 of the Industrial Finance Corporation Act) .. .	..	..	..	5,00,00,000
5,50,000	2. Reserves and Reserve Fund— (i) General Reserve Fund (under Section 32) Balance as per last Balance Sheet.	17,00,000	..	..	..
11,50,000	Additions during the year	14,12,000	31,12,000	..	..
17,00,000					
18,24,300	(ii) Special Reserve Fund (under Section 32A) Balance as per last Balance Sheet.	22,80,375	..	..	..
4,56,075	Additions during the year	4,56,075	27,36,450	..	..
22,80,375					
15,25,000	(iii) Reserve for Doubtful Debts— Balance as per last Balance Sheet	15,14,423	..	..	..
..	Since added .. .. .	..	..	..	..
15,25,000		15,14,423	..	..	..
10,577	Less Debts written off during the year	21,609	14,92,814	..	..
15,14,423					
1,00,000	(iv) Reserve for Contingencies .. .. .	..	1,00,000	74,41,264	..
55,94,798					
28,27,343	3. Provision for Taxation— Balance as per last Balance Sheet .. .. .	..	23,62,861	..	..
25,21,429	Add provision during the year .. .. .	..	37,70,776	..	..
53,48,772		..	61,33,637	..	..
29,85,911	Less adjustments during the year .. .. .	..	23,38,270	..	..
23,62,861			37,95,367	..	..
10,23,949	Less Tax deducted at source	10,50,129	..	..	..
13,38,912					
7,06,732	Advance tax paid under Section 18A	2,29,332	12,70,481	25,15,906	..
6,32,180		..	..	..	..
7,80,50,000	4. Bonds and Debentures— (i) 3½% Bonds (Unsecured) redeemable in 1964. (Guaranteed by the Government of India under Section 21).	..	7,80,50,000	..	..
4,56,47,400	(ii) 4½% Bonds (Unsecured) redeemable in 1967. (Guaranteed by the Government of India under Section 21).	..	4,56,47,400	..	..
..	(iii) 4½% Bonds (Unsecured) redeemable in 1968. (Guaranteed by the Government of India under Section 21).	..	4,38,30,800	..	..
..	(iv) % Debentures (Unsecured) redeemable in .. . (Guaranteed by the Government of India under Section 21).	..	..	..	..
12,36,97,400		..	..	16,75,28,200	..
17,99,24,878	Carried over			22,74,85,370	..

CORPORATION OF INDIA

DELHI

30th June 1959

Previous Year	Property and Assets				This Year
Rs.		Rs.	Rs.	Rs.	
	1. Cash and Bank Balances—				
1,716	(a) In hand at Head Office and at Branches .. ..	..	4,122	..	
	(b) With Banks (under Section 19)—				
40,34,376	(i) Reserve Bank of India .. .. .	..	10,08,137	..	
2,03,50,000	(ii) Scheduled Banks .. .. .	..	1,47,00,000	..	
50,00,000	(iii) State Co-operative Banks .. .. .	..	..	1,57,90,259	
3,83,86,092		..	..	..
	2. Investments—				
	(i) Under Sec. 20—				
..	(a) Securities of the Govt. of India .. .. .	..	..	..
..	(b) Securities of the State Government .. .. .	..	..	..
	(ii) Under Section 23 (1)(d)—				
..	(a) Stocks .. .. .	..	..	..
..	(b) Shares .. .. .	..	..	..
..	(c) Bonds .. .. .	..	..	..
..	(d) Debentures at cost (Market value Rs. 60,51,254) ..	65,85,400	65,85,400	..	
..	(iii) Under Section 23 (1)(e)—				
..	Debentures .. .. .	..	..	65,85,400	
	3. Loans and Advances—				
28,04,47,547	Total loans outstanding (as per schedule annexed) .. ..	..	..	33,36,73,453	
	4. Dividend Deficit Account—				
53,45,490	Balance as per last Balance Sheet .. .. .	..	53,45,490	..	
..	Less Balance of Profit transferred from Profit & Loss Account ..	..	5,45,490	48,00,000	
53,45,490					
	5. Premises—				
..	Cost upto the date of last Balance Sheet .. .. .	..	..	..
..	Additions during the year .. .. .	..	..	..
..	Less Depreciation upto the last year .. .. .	..	..	..
..	Depreciation for the year .. .. .	..	..	..
	6. Motor Cars, Cycles, Furnitures, Fixtures, Fittings, etc.—				
1,93,507	Cost upto the date of last Balance Sheet .. .. .	..	1,75,995	..	
8,671	Additions during the year .. .. .	..	6,575	..	
2,07,178			1,82,570	..	
31,184	Less Cost of assets sold during the year .. .. .	..	..	..
1,75,994		..	1,82,570	..	
92,824	Less Depreciation upto last year	84,704	..	..
13,682	Depreciation for the year	11,982	96,866	..	
1,08,506		..	85,904	..	
21,802	Less Depreciation on assets sold .. .. .	..	..	85,904	
84,704					
91,290					
33,32,70,419	Carried over .. .. .	..	..	..	36,09,44,016

Balance				
Previous Year	Capital and Liabilities			This Year
Rs.	Brought forward	Rs.	Rs.	Rs.
17,99,24,378	5. Fixed Deposits (under Sec. 22)—	..	..	22,74,85,370
	6. Borrowings—			
	(i) From Reserve Bank of India—			
..	(a) Secured by pledge of Government Securities of the face value of Rs. [under Section 21 (3)(a)].	..	..	..
..	(b) Secured by Bonds and Debentures issued by the Corporation of the face value of Rs. 3.50 crores [under Section 21 (3)(b)].	..	..	..
15,00,00,000	(ii) From Government of India [under Section 21(4)]	..	13,00,00,000	..
..	(iii) In Foreign currency .. .. .	..	..	13,00,00,000
15,00,00,000	7. Subvention Paid by Government of India—	..	..	..
	On account of dividend under Section 5 (read with Sec. 32)—			
53,45,490	Balance as per last Balance Sheet .. .. .	..	53,45,490	..
..	Less Paid to Government of India .. .. .	..	5,45,490	..
53,45,490	8. Other Liabilities—			
	Interest accrued and accruing—			
16,82,877	(a) on borrowings from Govt. of India under Sec. 21(4) ..	14,58,494	..	..
12,62,340	(b) on Industrial Finance Corporation Bonds	14,53,796	29,12,290	..
29,45,217		..	..	..
6,73,658	Sundry Creditors including liabilities for expenses .. ..	..	5,46,226	..
6,07,621	Interest held in Suspense .. .. .	..	6,41,069	..
5,49,644	Industrial Finance Corporation Employees Provident Fund A/c.	..	6,61,512	..
3,064	Legal Charges Suspense .. .. .	..	12,700	..
2,363	Unclaimed Dividend .. .. .	..	2,250	..
13,01,074	Cheques received for collection per contra .. .. .	..	8,58,618	56,34,663
60,82,641	9. Contingent Liabilities—			
..	(a) Guarantee given under Sec. 23(1) (a) per contra .. ..	..	..	..
75,00,000	(b) Underwriting contracts under Sec. 23(1) (b) per contra ..	..	..	..
	10. Profit & Loss Account—			
11,25,000	Balance brought forward	16,70,490	..	..
	Less Appropriation for previous year—			
11,25,000	Dividend for 1957-58	11,25,000	..	..
..		5,45,490	..	..
..	Balance transferred to Dividend Deficit Account	5,45,490	..	..
28,20,490	Add Net profit for the year as per Profit & Loss Account ..	..	35,37,000	..
11,50,000	Less Transferred to General Reserve Fund .. .. .	..	14,12,000	21,25,000
16,70,490				
35,05,22,999				37,00,45,033

H. V. VENKATASUBBIAH

General Manager

K. R. K. MENON

Chairman

Shri L. K. Jha Director
 Shri M. Ct. Muthiah ..
 Shri G. D. Ambekar ..
 Shri S. P. Virmani ..
 Prof. S. K. Basu ..
 Shri B. Venkatappiah ..

Shri S. C. Roy Director
 Shri C. C. Desai ..
 Shri V. P. Varde ..
 Shri R. M. Deshmukh ..
 Shri A. Bakshi ..
 Shri S. V. Ramamurty ..

Sheet—contd.

Previous Year	Property and Assets				This Year
Rs.			Rs.	Rs.	Rs.
33,32,70,419	Brought forward				36,09,44,100
	7. Others Assets—				
..	Interest accrued on investments .. .. .		..	2,14,020	..
10,40,965	Interest accrued on Loans & advances .. .. .		..	10,06,086	..
4,26,568	Interest accrued on Debentures .. .. .		..	3,26,062	..
1,55,763	Interest accrued on Deposit with Banks .. .. .		..	82,294	..
372	Commitment Charges accrued .. .. .		..	627	..
67,77,492	Sundry Debtors* .. .. .		..	65,63,603	..
19,868	Stock of Stationery .. .. .		..	20,446	..
29,636	Telephone Deposit .. .. .		..	27,801	..
13,01,074	Cheques lodged for collection per contra .. .. .		..	8,58,616	..
822	Prepaid Expenses .. .. .		..	1,377	..
19	Stamps on hand .. .. .		..	19	91,01,017
97,52,579					
..	8. Guarantees per contra .. .. .		..	..	..
75,00,000	9. Underwriting Contracts per contra .. .. .		..	..	..
	10. Provision for Taxation—				
..	Details per contra .. .. .		..	..	..
1	11. Difference in rounding off .. .. .		..	..	..
35,05,22,999					37,00,45,033

NOTE—*The amount of Sundry Debtors includes—

(a) Rs. 59,45,000 being balance (fully secured) of purchase consideration recoverable from Indo-Asahi Glass Co. Ltd., for assets of Sodepore Glass Works Ltd. (in Liquidation) sold to them.

(b) Rs. 3,87,200 being balance (fully secured) of purchase consideration and interest thereon recoverable from Zip Industries (Private) Ltd., for assets of Link Industries Ltd. (in Liquidation) sold to them.

Schedule showing particulars in respect of loans and advances referred to in the Balance Sheet as on 30th June 1959

	Rs.
(a) Debts considered good in respect of which the Corporation is fully secured	32,10,50,966
Out of this—	
(i) Loans amounting to Rs. 22,04,70,632 are also secured by the personal guarantees of Directors and/or Managing Agents of the borrower concerns. (Of these, loans aggregating Rs. 3,65,90,065 are further secured by the guarantees of the Central and/or State Governments and loans aggregating Rs. Nil are guaranteed by Scheduled or Co-operative Banks).	
(ii) Loans amounting to Rs. 8,02,86,168 are also secured by the guarantees of the Central and/or State Governments.	
(iii) Loans amounting to Rs. 7,00,000 are also secured by the guarantees of Scheduled and/or Co-operative Banks.	
(b) Debts previously fully secured but now secured to the extent of Rs. 9,01,000 only	20,72,976
(c) Debts secured only by the guarantees of the Central and/or State Governments	1,03,00,000
(d) Debts secured only by the guarantees of Scheduled and/or Co-operative Banks	Nil
(e) Debts secured only by personal guarantees or choses in action	2,49,511
Total of (a), (b), (c), (d) and (e)	33,36,73,453
(f) Debts due by concerns in which the Directors of the Corporation are interested as Directors and Shareholders, Directors or members of the Managing Agency concerns.	7,64,75,787
Of these—	
(i) Debts aggregating Rs. 1,52,50,000 are due by Co-operative Societies in which Director/s of the Corporation is/are interested as nominees of State Government or Co-operative Banks or Registrar of Co-operative Societies.	
* (ii) Debts aggregating Rs. 4,31,28,186 are due by concerns in which the Directors of the Corporation are interested as Shareholders only.	
(iii) Debts aggregating Rs. Nil, are due by concerns in which the Directors of the Corporation are interested as Directors or members of the Managing Agency concerns.	
† (iv) Debts aggregating Rs. 1,80,97,601 are due by concerns in which the Directors of the Corporation are interested as Directors.	
(g) Total amount of loans disbursed during the year to concerns in which the Directors of the Corporation are interested as Directors and Shareholders, Directors or members of the Managing Agency concerns.	1,07,45,665
(h) (i) Total amount of the instalments whether of principal or interest of which default was made at any time during the year	24,88,614
(ii) Total amount of the instalments whether of principal or interest overdue at the end of the year	38,35,113
(iii) Total amount of instalments whether of principal or interest overdue by concerns in which Directors of the Corporation are interested.	30,000

*Debt amounting to Rs. 20,00,000 due by a concern in which three directors of the Corporation are interested two of whom as shareholders only and one as a director has not been taken into category f(ii) but is included in category f(iv) only.

†Debt amounting to Rs. 82,40,065 due by a concern in which the Chairman of the Corporation is a nominee director is included under category f(ii) only as another director of the Corporation is a shareholder of that concern.

(Sd.) S. B. BILLIMORIA & CO.

S. VAIDYANATH AIYAR & CO.

Chartered Accountants

Profit and Loss Account for the Year ended the 30th June 1959

Previous Year		This Year	Previous Year		This Year
Rs.		Rs.	Rs.		Rs.
86,84,905	To Interest on Bonds, Debentures, etc.	1,15,74,700			
31,350	„ Salaries and Allowances		1,54,36,444	*By Interest (including arrears of interest recovered amounting to Rs. 7,430 originally held in suspense account).	2,00,04,891
	(a) Chairman	31,822	28,121	„ Commission	1,90,460
	(b) General Manager (including Rs. 3,827 for leave salary paid to Reserve Bank of India) Rs. 37,385 Less leave salary recovered and/or recoverable from Reserve Bank of India Rs. 2,945	34,440		„ Rent	
5,82,065	(c) Others	6,13,976	267	„ Profit on sale of Investments	
6,51,553			26,057	„ Profit from sale of Assets	
				„ Commitment Charges	1,82,146
				„ Miscellaneous Income	10,321
				„ Difference in rounding off	1

Profit and Loss Account—contd.

Previous Year			This Year	Previous Year	This Year
Rs.		Rs.	Rs.	Rs.	Rs.
4,050	To Directors' fees		6,450		
20,112	„ Directors' Travelling and other allowances.		25,014		
750	„ Committee Members' fees (other than Directors).		950		
2,570	„ Committee Members' (other than Directors) Travelling and other allowances.		7,774		
33,939	„ Provident Fund Contribution		34,430		
98,280	„ Rent, Taxes, Insurance & Lighting.		98,744		
22,503	„ Postage, Telegrams, Stamps and Telephones.		24,935		
32,021	„ Printing, Stationery and Advertisement.		38,359		
710	„ Repairs		660		
203	„ Law Charges		400		
6,000	„ Audit Fees		6,000		
13,682	„ Depreciation		11,962		
4,56,474	„ Discount on Bonds		4,38,308		
26,968	„ Brokerage on Bonds		25,679		
	To Other Expenses—				
24,739	Agency Charges	37,840			
1,730	Books & Newspapers	1,297			
5,721	Medical Fees and Expenses	5,384			
13,375	Expenses not enumerated ..	13,202			
22,403	Travelling Expenses	16,721			
3,379	Halting Allowances	2,104			
791	Maintenance of Motor Car	763			
19,612	Interest on Employees' Provident Fund.	27,349	1,04,750		
91,750	To Bad Debts written off				
..	„ Provision for doubtful debts				
..	„ Loss on sale of Investments				
..	„ Reserve for depreciation on Investments.				
1,233	„ Loss on sale of assets				
25,21,429	„ Provision for Taxation (Refer Directors' Report page 3).		37,70,776		
28,20,490	„ Balance of Net Profit carried to Balance Sheet.		33,37,000		
1	„ Difference in rounding off ..				
1,54,90,889			2,03,87,819	1,54,90,889	2,03,87,819

*(i) The item of "Interest" does not include interest amounting to Rs. 40,877 on some accounts which have defaulted in payment of interest and principal. This amount is held in "Interest held in Suspense account".

(ii) Interest on one account which is considered doubtful of recovery has not been taken into account.

(Sd.) S. B. BILLIMORIA & CO.

S. VAIDYANATH AIYAR & CO.
Chartered Accountants

**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS
OF THE INDUSTRIAL FINANCE CORPORATION
OF INDIA**

We, the undersigned Auditors of the Industrial Finance Corporation of India, do hereby report to the shareholders upon the Balance Sheet and Accounts of the Corporation as at 30 June 1959.

We have examined the above Balance Sheet with the Accounts and Vouchers relating thereto and the certified returns from the Branches, which returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information, such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing all necessary particulars and properly drawn up in accordance with the Act and the Rules of the Corporation so as to exhibit a true and correct view of the state of the affairs of the Corporation according to the best of our information and explanations given to us and as shown by the books of the Corporation.

(Sd.) S. B. BILLIMORIA & CO.

New Delhi,

S. VAIDYANATH AIYAR & CO.

Dated 24th August 1959

Chartered Accountants

**AIR-INDIA INTERNATIONAL
NOTIFICATION**

In exercise of the powers conferred by Section 45 of the Air Corporations Act, 1953, Air India International hereby amends the Air-India International Corporation (Grant of Refund and Concessional Transportation) Regulations, 1956, as follows, namely—

The words "to the agents or representatives of agents and" occurring in Regulation No. 5 of the said Regulations shall be deleted.

R. N. GUNDIL

*Secretary
Air-India International*

LOST

The Government Promissory Note No. BYO 69342 of the 5 per cent loan of 1945-55 for Rs. 200 originally standing in the name of Bhimacharya Ramacharya and last endorsed to Shesho Narayan Katti and Sham Narayan Katti the proprietors by whom it was never endorsed to any other person, having been lost, stolen or destroyed, notice is hereby given that payment of the above note and the interest thereupon have been stopped at the Public Debt Office, Reserve Bank of India, Calcutta, and that the application is about to be made for the payment of discharge value to the proprietors. The public are cautioned against purchasing or otherwise dealing with the above mentioned security.

Treasury Officer, Belgaum

LOST

The Government Promissory Notes mentioned below, originally standing in the names as shown thereagainst and last endorsed to Messrs. Witco Engineering Co., the proprietors by whom they were never endorsed to any other person having been lost, notice is hereby given that the payment of the undermentioned Notes and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Bombay, and that application is about to be made for the issue of duplicates in favour of the proprietors. The Public are cautioned against purchasing or otherwise dealing with the undermentioned securities:—

G. P. Note No.	Loan.	Amount.	Originally standing in the name of
		Rs.	
BY093046	3 per cent. Con. 1948.	500	Bhargao Atmaram Mulay.
BY025417/18	Do. ..	500 each.	Imperial Bank of India.
BY122163	Do. ..	500	Erach Nanabhoy Chinoy.
BY051064	Do. ..	100	Tehmina D. Sethna and Dhanjibhoy Edulji Sethna or either of them.

Name of the advertiser—Messrs. WITCO ENGINEERING Co.

Residence:—Tank Lane, Santacruz (West), Bombay.

LOST

The Government Promissory Note No. MS 008146 of the 3 per cent First Development Loan of 1970-75 for Rs. 500.00 originally standing in the name of The Reserve Bank of India and last endorsed to Buggana Rami Reddy Bugga Reddy, the proprietor by whom it was never endorsed, to any other person, having been lost, notice is hereby given that the payment of the above Note and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Madras and that application is about to be made for the issue of duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned security.

Name of the advertiser—Sri Buggana Rami Reddy Bugga Reddy.

Residence—Betamcherla (Kurnool District), Andhra Pradesh.

LOST

The Government Promissory Note No. BY080341 National Plan of the 3½ per cent loan of 1964 for Rs. 200—originally standing in the name of State Bank of India and last endorsed to Ramchandra Shankar Rao Alur the proprietor, by whom it was never endorsed to any other person, having been lost, notice is hereby given that the payment of the above Note(s) and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, Bombay and that application is about to be made for the issue of Duplicate, in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above mentioned security.

Name of the advertiser—Ramchandra Shankar Rao Alur.

Residence—Wright Town, Jabalpur, M.P.

DESTROYED

The Government Promissory Note No. DH 032788 of the 3½ per cent N.P. loan of 1964 for Rs. 200.00 originally standing in the name of Reserve Bank of India and last endorsed to Ram Vinod the proprietor by whom it was never endorsed to any other person, having been destroyed, notice is hereby given that the payment of the above note and the interest thereupon has been stopped at the Public Debt Office, Reserve Bank of India, New Delhi, and that application is about to be made for the issue of duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above mentioned security.

Name of the Advertiser—Ram Vinod.

Residence—C/o M/s Durga Pershad Ram Vinod, 2072, Tiraha Bazar, Maliwara, Delhi 6.

CHANGE OF SURNAME

I, the undersigned Swami Prasad Sharma, now working in the office of the Executive Engineer, Workshop Remodelling, Central Railway, Jhansi as a Jr. Clerk wish to change surname from Swami Prasad "Sharma" to Swami Prasad "Trivedi".

CHANGE OF NAME

My present name as registered in the Books of Central Railway Administration is as under—

"MAROTI LAXMAN"

and now I wish that my name should be changed and known in future as "MAROTI LAXMAN PHADTARE" in all the Govt. documents.

CHANGE OF NAME

Kalu Bhatia to Kishen Bhatia.

(Authy: Army HQ letter No. 02809/390/MS3C.

CHANGE OF NAME

IC 4814 CAPT DALJIT SINGH TREWN, Artillery has changed his name to IC 4814 CAPT DALJIT SINGH.

CHANGE OF NAME

Sheik Mohamed Abdulla, Clerk, Traffic Accounts Office, S. Rly., Madras, shall henceforth be called in all official and private records as Appapillai Mohamed Abdulla.

CHANGE OF NAME

I Km Pushpa Sachdeva, daughter of Shri Lakshmi Chand Sachdeva, at Meerut, have changed my name to Smt. Pushpa Rani Mandiratta.

CHANGE OF NAME

Shree Nathalal Ramprasad Trivedi, Postal Clerk, Surat Division, should henceforth be known as Shri Narendra Ramprasad Trivedi.

CHANGE OF NAME

It is hereby notified that the undersigned has changed his name from N. S. SOANS to NAHUM SOANS.

N. S. SOANS

CHANGE OF NAME

I, Mr. V. Savalappan T.T.E./MAS S. Rly. shall henceforth be known as Mr. V. B. THIRUGNANAM.

V. SAVALAPPAN
T.T.E./MAS, S. Rly., Madras

CHANGE OF NAME

I, G. Nandarajan, Points Man, Mathur, S. Rly. son of Govindasamy hereby notify that I have changed my name as G. Natarajan in all records.

CHANGE OF NAME

I have changed my name from Toondaram Saini to Mahendra Kumar Saini.

CHANGE OF NAME

Under the provisions of para. 4 of AI 196/51, necessary permission has been accorded by Military Secretary, Army Headquarters to Lt Col BALIRAM DALVI (IC 3296), 5 Gorkha Rifles (FF) to change his name to "BALIRAM BHIORAM DALVI".

CHANGE OF NAME

Shri Samuel Danial Khalasi, Loco Shed, Moradabad has embraced Islam and has assumed the name of "Mohammad Abdul Haque".

CHANGE OF NAME

It is notified for the public information that I am the natural son of Kasinath Kar of Chandradaipur, P. S. Salepur, Distt Cuttack and my name is Gopabandhu Kar. When I was a boy my maternal uncle Jagannath Misra of Khandasahi, P. O. Khandasahi, Distt. Cuttack took me for adoption and called me Gopinath Misra and I got myself appointed in the Railway Department as G. N. Misra. But as my uncle could not validate my adoption and died, I left his place and continuing as Gopabandhu Kar.

CHANGE OF NAME

I, Khairati Ram s/o Sh. Nathu Ram of R.D.S.O., Ministry of Railways, New Delhi have changed my name to Kanwal Rakesh Sabharwal.

CHANGE OF NAME

I, Shri Santosh Kumar Bhattacharjee, son of Shri Jagat Bandhu Bhattacharjee of 16/5/H-3, Muraripukur Road, P. S. Maniktolla, Calcutta-4 have changed my Surname *Bhattacharjee* in place of *Sircar* by the affidavit before Presidency Magistrate, Calcutta, on 29th April 1959.

(C-9533)

CHANGE OF NAME

I, JAGIRI S/o Shri Pehlu resident of Village and P.O. Chak-Mughlani, Distt. Jullundur have changed my name to JAGIR CHAND GILL.

CHANGE OF NAME

Lt RANVIR MOHAN GUPTA IC-7165 to RANVIR MOHAN IC-7165.

(Authy: Army HQ No. 02809/347/MS 3C of 31 JUL '59).

CHANGE OF NAME

From Sita Ram to Ram Singh.

NOTICE

In the matter of the Companies Act, 1956

and

In the matter of Kalinga Industrial Development Corporation (Private) Limited

(In Members Voluntary Liquidation)

Notice is hereby given that pursuant to Section 497 of the Companies Act, 1956 a final General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, Anand Bhavan, Cuttack on Monday, the 21st day of December 1959 at 10-30 a.m. for the purpose of having an account laid before the meeting showing how the winding up of the Company has been conducted and the property of the Company has been disposed of and for the purpose of hearing any explanations that may be given by the Liquidator and also for the purpose of considering and if thought fit of passing with or without modification, the following resolution which will be proposed as a special resolution namely:—

"That the books and documents of the Company and of the Liquidator be retained by the said Liquidator with a direction that they are to be destroyed by them at the expiration of three years from the date of the dissolution of the Company."

K. K. PATNAIK

Liquidator
Kalinga Industrial Development
Corporation (Private) Ltd.
(In Voluntary Liquidation)

